

INEOS Commercial Services UK Limited

Annual report and financial statements

Registered number 07445497

31 December 2024

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Strategic report for the year ended 31 December 2024

The directors present their Strategic report on the Company for the year ended 31 December 2024.

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, high energy prices, high UK carbon taxes and reduced market demand due to reduced consumer confidence in demand from their customers. Turnover dropped by €89m year on year as 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.A.. The U.S. competitors benefit from lower energy costs, which are four to five times lower than those in the UK, and no carbon taxes when they import products to the UK. These issues had a profound impact on the business due to the Company’s high steam and power demand and its significant exposure to natural gas prices and high UK carbon taxes. Due to these reasons it was viewed by the Company to fully impair its tangible fixed assets, resulting in an exceptional impairment charge of €147,000 (2023: *€nil*).

The planned turnaround event (“TAR”) in INEOS Chemicals Grangemouth Limited on the Olefins plant for 2023, was delayed and also phased from 2024 to 2026. 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 which impacted the Company. During 2024, the first phase of the Olefins plant TAR was delivered safely, on time and on budget.

Looking forward into 2025 the business expects the natural gas price to remain higher than historical averages, although at similar levels as those experienced in 2024. Market conditions are still expected to be challenging and consequently the second train on the gas cracker will remain in mothball status due to restricted sales demand and high UK energy prices and carbon taxes. The business continues to invest in the F10 furnace strategic project. The new energy project will continue to be temporarily suspended during 2025 and the business will continue to manage its cost base and capital expenditure in line with affordability. Finally, the phased TAR profile will occur as planned with the TAR being undertaken from August through to mid-October.

Results and dividends

The loss for the financial year before taxation was €101,142,000 (2023: €98,456,000). The directors do not propose the payment of a dividend (2023: *€nil*).

Strategic report for the year ended 31 December 2024 (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, with emission savings of more than 80% across the site targeted. This is to be achieved through some plant closures plus a series of investments, partnerships and innovative engineering. The integrated INEOS businesses on site have formed a dedicated sustainability team to lead the project to support hydrogen full switching further lowering emissions.

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 2024 (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 2024 (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 2024.

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 2024 was a loss of €123,374,000 (2023: €114,109,000). 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:

	2024 €000	2023 €000
Operating loss	(123,572)	(114,153)
Depreciation charge for the year	51	44
Exceptional impairment charge for the year	147	-
	<u>(123,374)</u>	<u>(114,109)</u>

The decrease in EBITDA before exceptional items in 2024 as compared to 2023 was primarily due to reduced consumer demand and the impact of high natural gas prices, high UK carbon taxes and the effects of high inflation. This impacted revenue and subsequently the trading performance.

Strategic report for the year ended 31 December 2024 *(continued)*

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

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:

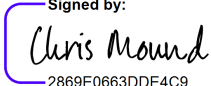
- The petrochemical industry is cyclical — changing market demands and prices may negatively affect the Company’s operating margins and impair its cash flow which, in turn, could affect its ability to make payments on its debt or to make further investments in the business.
- Raw materials and suppliers — 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 minimise or mitigate customer credit risk. Our customers may experience financial difficulties, including bankruptcies, restructurings and liquidations.

Strategic report for the year ended 31 December 2024 *(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 and signed on behalf of the Board of Directors.

Signed by:

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C G Mound

Director

17 December 2025

Registered number 07445497

Directors' report for the year ended 31 December 2024

The directors present their annual report and financial statements of the Company for the year ended 31 December 2024.

Principal activities

The Company is engaged in the procurement of raw materials 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. The directors do not propose the payment of a dividend (2023: *£nil*).

Future developments

Future developments are discussed in the Strategic report.

Post balance sheet events

Post balance sheet events are discussed in Note 24.

Armed conflicts

Current conflicts in Europe and the Middle East can result in fluctuations on the energy market which can lead to uncertainty on future prices; however 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 2024, the Company had net current assets of €124,609,000 (2023: *€49,092,000*) and net assets of €81,790,000 (2023: *€141,078,000*). The Company held cash of €37,380,000 (2023: *€23,698,000*) and loans and borrowings of €534,902,000 (2023: *€400,120,000*). The loss for the year was €74,682,000 (2023: *€76,038,000*). 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 2024 (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 (resigned 01 October 2025)
N Williamson (appointed 01 October 2025)
G R Maclellan (appointed 01 November 2024)
C G Mound
A Hogan (resigned 31 October 2024)
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 2024 (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 Commercial Services UK Limited are described in the Section 172(1) statement in the Strategic report.

Directors' responsibilities statement

The directors are responsible for preparing the annual 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.

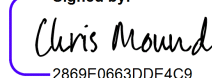
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") 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 and signed on behalf of the Board of Directors.

Signed by:



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C G Mound

Director

17 December 2025

Registered number 07445497

Profit and Loss Account
for the year ended 31 December 2024

	Note	2024 €000	2023 €000
Turnover	2	537,548	626,286
Cost of sales		(602,297)	(684,762)
Gross loss		(64,749)	(58,476)
Other operating income		-	2
Distribution costs		(37,480)	(36,011)
Administrative expenses		(21,196)	(19,668)
Exceptional administrative expense	3	(147)	-
Total administrative expenses		(21,343)	(19,668)
Operating loss	4	(123,572)	(114,153)
Interest receivable and similar income	7	49,405	35,792
Interest payable and similar expenses	8	(26,975)	(20,095)
Loss before taxation		(101,142)	(98,456)
Tax on loss	9	26,460	22,418
Loss for the financial year		(74,682)	(76,038)

All activities of the Company relate to continuing operations.

Statement of Comprehensive Income

for the year ended 31 December 2024

	Note(s)	2024 €000	2023 €000
Loss for the financial year		(74,682)	(76,038)
Other comprehensive expense			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial loss recognised in the pension scheme	19	(152)	(1,204)
Deferred tax arising on actuarial loss in the pension scheme	9,14	38	315
Other comprehensive expense the year, net of income tax		(114)	(889)
Total comprehensive expense for the year		(74,796)	(76,927)

Balance Sheet
as at 31 December 2024

	<i>Note</i>	2024 €000	2023 €000
Fixed assets			
Tangible assets	10	-	40
Investments	11	497,703	496,942
		497,703	496,982
Current assets			
Stocks	12	80,182	77,932
Debtors (including €15,644,000 (2023:€16,400,000) due after more than one year)	13	118,026	101,850
Cash at bank and in hand		37,380	23,698
		235,588	203,480
Creditors: amounts falling due within one year	15	(110,979)	(154,388)
Net current assets		124,609	49,092
Total assets less current liabilities		622,312	546,074
Creditors: amounts falling due after more than one year	16	(535,805)	(400,844)
Provisions for liabilities			
Post-employment benefits	19	(4,717)	(4,152)
Net assets		81,790	141,078
Capital and reserves			
Called up share capital	20	-	-
Profit and loss account		81,790	141,078
Total equity		81,790	141,078

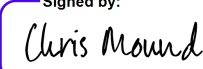
For the year ending 31 December 2024 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Balance Sheet (*continued*) **as at 31 December 2024**

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 17 December 2025 and were signed on its behalf by:

Signed by:

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C G Mound
Director

Registered number 07445497

Statement of Changes in Equity
for the year ended 31 December 2024

	<i>Note(s)</i>	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)/income for the year, comprising				
Actuarial loss recognised in the pension scheme	19	-	(1,204)	(1,204)
Deferred tax arising on actuarial loss in the pension scheme	9,14	-	315	315
Other comprehensive expense		-	(889)	(889)
Total comprehensive expense for the year		-	(76,927)	(76,927)
Balance at 31 December 2023		-	141,078	141,078

	<i>Note(s)</i>	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2024		-	141,078	141,078
Loss for the financial year		-	(74,682)	(74,682)
Other comprehensive (expense)/income for the year, comprising				
Actuarial loss recognised in the pension scheme	19	-	(152)	(152)
Deferred tax arising on actuarial loss in the pension scheme	9,14	-	38	38
Other comprehensive expense		-	(114)	(114)
Total comprehensive expense for the year		-	(74,796)	(74,796)
Transactions with owners, recorded directly in equity				
Forgiveness of debt		-	15,508	15,508
Total contributions by and distributions to owners		-	15,508	15,508
Balance at 31 December 2024		-	81,790	81,790

Notes to the financial statements for the year ended 31 December 2024

(forming part of the financial statements)

1 Accounting policies

INEOS Commercial Services UK Limited (the “Company”) is a private 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 2024
*(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. No assets or liabilities are stated at 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 2024, the Company had net current assets of €124,609,000 (2023: €49,092,000) and net assets of €81,790,000 (2023: €141,078,000). The Company held cash of €37,380,000 (2023: €23,698,000) and loans and borrowings of €534,902,000 (2023: €400,120,000). The loss for the year was €74,682,000 (2023: €76,038,000). 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 2024 was €1.20525:£1 (2023: €1.14982/£1)

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

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.

Notes to the financial statements for the year ended 31 December 2024

(forming part of the financial statements) (continued)

1 Accounting policies (continued)

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.

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.

Notes to the financial statements for the year ended 31 December 2024

(forming part of the financial statements) (continued)

1 Accounting policies (continued)

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.

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.

Notes to the financial statements for the year ended 31 December 2024

(forming part of the financial statements) (continued)

1 Accounting policies (continued)

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 2024

(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). 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 2024

(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 2024
(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 2024 which have had a material impact on the Company.

2 Turnover

	2024 €000	2023 €000
Sale of goods	537,548	626,286
Total turnover	537,548	626,286
	2024 €000	2023 €000
By activity:		
O&P Europe	537,548	626,286
By geographical market:		
UK	126,625	88,249
Rest of Europe	398,470	519,853
The Americas	10,983	16,793
Rest of World	1,470	1,391
	537,548	626,286

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 2024

(forming part of the financial statements) (continued)

3 Exceptional administrative expenses

The Company encountered various challenges during the year; the effects of high inflation, high energy prices, high UK carbon taxes 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.A.. The U.S. competitors benefit from lower energy costs, which are four to five times lower than those in the UK, and no carbon taxes when they import products to the UK. These issues had a profound impact on the business due to the Company's high steam and power demand and its significant exposure to natural gas prices and high UK carbon taxes. Due to these reasons it was viewed by the Company to fully impair its tangible fixed assets, resulting in an exceptional impairment charge of €147,000 (2023: €nil).

4 Operating loss

Included in operating loss are the following:

	2024 €000	2023 €000
Depreciation of right-of-use assets (Note 10)	51	44
Impairment of right-of-use assets (Note 10)	147	-
Income from sub-leasing right-of-use assets	(59)	(12)
Exchange loss	4,119	1,227
Other operating income	-	(2)
	<u> </u>	<u> </u>

5 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	
	2024	2023
Distribution	13	17
Sales and marketing	3	3
Administration	89	82
	<u> </u>	<u> </u>
	105	102
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2024 €000	2023 €000
Wages and salaries	9,672	8,331
Social security costs	903	735
Other pension costs - defined benefit plan (Note 19)	129	126
Other pension costs - defined contribution plan (Note 19)	635	534
	<u> </u>	<u> </u>
	11,339	9,726
	<u> </u>	<u> </u>

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**6 Directors' remuneration**

	2024	2023
	€000	€000
Directors' emoluments	896	728
Social security costs	24	92
	920	820

The aggregate of emoluments and amounts receivable under long-term incentive schemes of the highest paid director was €593,000 (2023: €416,000). He is a member of a defined benefit scheme, under which his accrued pension at the year end was €14,000 (2023: *€nil*).

	Number of directors	
	2024	2023
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	2	1

7 Interest receivable and similar income

	2024	2023
	€000	€000
Interest income on financial assets measured at amortised cost	29,128	27,839
Net foreign exchange gain	20,277	7,953
	49,405	35,792

Interest receivable and similar income includes interest receivable from group undertakings of €28,457,000 (2023: €27,097,000).

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**8 Interest payable and similar expenses**

	2024 €000	2023 €000
Interest expense on financial liabilities measured at amortised cost	26,768	19,936
Interest on lease liabilities	10	3
Net interest on net defined benefit pension plan liability (Note 19)	197	156
	<u>26,975</u>	<u>20,095</u>

Interest payable and similar expenses includes interest payable to group undertakings of €26,767,000 (2023: €19,936,000).

9 Tax on loss**Recognised in the profit and loss account**

	2024 €000	2023 €000
<i>UK corporation tax</i>		
Tax on loss for the year	(25,146)	(23,206)
Adjustments in respect of prior periods	(1,008)	715
Total current tax	<u>(26,154)</u>	<u>(22,491)</u>
<i>Deferred tax (Note 14)</i>		
Origination and reversal of temporary differences	(103)	69
Impact of rate change	-	4
Adjustments in respect of prior periods	(203)	-
Total deferred tax	<u>(306)</u>	<u>73</u>
Tax credit on loss	<u>(26,460)</u>	<u>(22,418)</u>

Income tax recognised in other comprehensive expense

	2024 €000	2023 €000
Remeasurements of post-employment benefit plan	38	315

Notes to the financial statements for the year ended 31 December 2024
*(forming part of the financial statements) (continued)***9 Tax on loss (continued)****Reconciliation of effective tax rate**

	2024 €000	2023 €000
Tax on loss	(26,460)	(22,418)
Loss before taxation	(101,142)	(98,456)
Loss before taxation multiplied by the standard rate of tax in the UK of 25% (2023: 23.50%)	(25,286)	(23,137)
Non-deductible expenses	37	-
Reduction of previously unrecognised tax losses	-	4
Adjustments in respect of prior periods	(1,211)	715
Total tax credit	(26,460)	(22,418)

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

On 23 May 2023 the IASB issued amendments to IAS 12 'Income Taxes'. The Amendments to IAS 12 introduced a mandatory temporary exception to the requirement of IAS 12 under which a company does not recognise or disclose information about deferred tax assets or liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

The Company applied the temporary exception as at 31 December 2024.

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. 2024 income taxes in the profit and loss account are measured at 25% while in 2023 a blended average of 23.5% was applied. Deferred taxes at the balance sheet date are measured at 25%.

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**10 Tangible assets**

	Right-of-use assets €000	Total €000
Cost		
Balance at 1 January 2024	44	44
Additions	158	158
Balance as at 31 December 2024	202	202
Accumulated depreciation		
Balance as at 1 January 2024	(4)	(4)
Depreciation charge for the year	(51)	(51)
Exceptional impairment charge for the year	(147)	(147)
Balance as at 31 December 2024	(202)	(202)
Net book value		
At 31 December 2023	40	40
At 31 December 2024	-	-

The exceptional impairment charge of €147,000 for the year ended 31 December 2024 reflects the impairment of the tangible fixed assets relating to O&P UK business located at the Grangemouth site (see note 3).

The fixed asset impairment assessment is based on the value in use model which is using the five year plan then into perpetuity based on the life of the assets. The value in use calculation considers natural gas price forecast and various other assumptions at the balance sheet date. Given the impact of high natural gas prices experienced over the past two years and general market volatility, there is still some significant risk and volatility around future profitability performance.

The Company encountered various challenges during the year; the effects of high inflation, high energy prices, high UK carbon taxes 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.A.. The U.S. competitors benefit from lower energy costs, which are four to five times lower than those in the UK, and no carbon taxes when they import products to the UK. These issues had a profound impact on the business due to the Company's high steam and power demand and its significant exposure to natural gas prices and high UK carbon taxes.

Notes to the financial statements for the year ended 31 December 2024

(forming part of the financial statements) (continued)

10 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.

	Transportation €000	Right-of-use assets total €000
Cost		
Balance at 1 January 2024	44	44
Additions	158	158
Balance as at 31 December 2024	202	202
Accumulated depreciation		
Balance at 1 January 2024	(4)	(4)
Depreciation charge for the year	(51)	(51)
Exceptional impairment charge for the year	(147)	(147)
Balance as at 31 December 2024	(202)	(202)
Net book value		
At 31 December 2023	40	40
At 31 December 2024	-	-

See Note 18 for the lease obligations related to right-of-use assets.

Notes to the financial statements for the year ended 31 December 2024

(forming part of the financial statements) (continued)

11 Investments

	Loans to group undertakings €000
Cost	
Balance at 1 January 2024	496,942
Additions	141,144
Repayments	(164,061)
Exchange	23,678
Balance as at 31 December 2024	497,703
Net book value	
At 31 December 2023	496,942
At 31 December 2024	497,703

12 Stocks

	2024 €000	2023 €000
Raw materials and consumables	23,215	22,334
Finished goods	56,967	55,598
	80,182	77,932

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €340,033,000 (2023: €348,577,000). The write-down of stocks to net realisable value amounted to €2,461,000 (2023: €76,000). The write-down is included in the cost of sales.

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**13 Debtors**

	2024 €000	2023 €000
Trade debtors	47,349	58,628
Amounts owed by group undertakings	51,104	24,809
Other debtors	95	91
Prepayments	-	90
Accrued income	495	252
Taxation and social security	2,328	1,669
Related party loan	1,100	1,100
Deferred tax asset (Note 14)	15,555	15,211
	118,026	101,850
Due within one year	102,382	85,450
Due after more than one year	15,644	16,400

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 2024 and 2023 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. During the year ended 31 December 2024 there were no material amounts 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 situation. Consequently, the future credit losses in the ECL model are in the same range as the credit losses experienced in the past years. This is regarded as the future expectation of the inherent credit risk of the not impaired trade and other receivables outstanding. The Company reviews the assumptions of the ECL model on a yearly basis.

Credit risk of trade debtors

	2024 €000	2023 €000
Low	47,274	58,628
Medium	75	-
High	-	-
Impairment Allowance	-	-
	47,349	58,628

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**13 Debtors (continued)**

During the year, the Company has not experienced a significant deterioration in the quality of debtor balances due to the current economic conditions.

There were no allowances made against amounts due from other debtors during the year (2023: *£nil*).

There were no allowances made against amounts owed by group undertakings during the year (2023: *£nil*).

14 Deferred tax assets and liabilities**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	€000	€000	€000	€000	€000	€000
Employee benefits	1,179	1,038	-	-	1,179	1,038
Tax value of loss carry-forwards	14,146	14,146	-	-	14,146	14,146
Accelerated capital allowances	27	27	-	-	27	27
Short term timing differences	203	-	-	-	203	-
Net tax assets	15,555	15,211	-	-	15,555	15,211

Movement in deferred tax during the year

	1 January	Recognised	Recognised	31 December
	2024	in profit or	in equity	2024
	€000	loss	€000	€000
		€000		
Employee benefits	1,038	103	38	1,179
Tax value of loss carry-forwards	14,146	-	-	14,146
Accelerated capital allowances	27	-	-	27
Short term timing differences	-	203	-	203
	15,211	306	38	15,555

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**14 Deferred tax assets and liabilities (continued)**

Movement in deferred tax during the prior year

	1 January 2023 €000	Recognised in profit or loss €000	Recognised in equity €000	31 December 2023 €000
Employee benefits	790	(67)	315	1,038
Tax value of loss carry-forwards	14,146	-	-	14,146
Accelerated capital allowances	33	(6)	-	27
	<u>14,969</u>	<u>(73)</u>	<u>315</u>	<u>15,211</u>

There are no unrecognised deferred tax amounts.

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered based upon business forecasts.

15 Creditors: amounts falling due within one year

	2024 €000	2023 €000
Trade creditors	59,850	69,170
Amounts owed to group undertakings	37,790	67,597
Taxation and social security	6,383	9,205
Other creditors	306	179
Accruals	6,589	8,225
Lease liabilities (Note 18)	61	12
	<u>110,979</u>	<u>154,388</u>

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

16 Creditors: amounts falling due after more than one year

	2024 €000	2023 €000
Amounts owed to group undertakings (Note 17)	534,902	400,120
Lease liabilities (Note 18)	90	27
Accruals	813	697
	<u>535,805</u>	<u>400,844</u>

Amounts owed to group undertakings attract interest at commercial rates that are subject to standard trading terms.

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**17 Interest-bearing loans and borrowings**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost and included within amounts owed to group undertakings (Note 16).

	2024 €000	2023 €000
Creditors falling due after more than one year		
Intercompany loan	534,902	400,120
	534,902	400,120

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2024 €000	Carrying amount 2024 €000	Face value 2023 €000	Carrying amount 2023 €000
Intercompany loan	£/€/€	2.25% - 3.25%	2029	479,949	479,949	400,120	400,120
Intercompany loan	£	8%	2029	54,953	54,953	-	-
				534,902	534,902	400,120	400,120

18 Lease obligations

	2024 €000	2023 €000
<i>Analysed as:</i>		
Current lease liabilities (Note 15)	61	12
Non-current lease liabilities (Note 16)	90	27
	151	39

	2024 €000	2023 €000
<i>Maturity analysis - contractual undiscounted cash flows:</i>		
Less than one year	69	14
Between one and five years	95	29
Total undiscounted lease liabilities at 31 December	164	43

	2024 €000	2023 €000
Total cash outflow for leases	59	49

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**19 Post-employment benefits**

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the years shown.

	2024 €000	2023 €000
Total defined benefit asset	86,224	91,893
Total defined benefit liability	(90,941)	(96,045)
Net liability for defined benefit obligations (see following table)	(4,717)	(4,152)
Total post-employment benefits	(4,717)	(4,152)

Movements in net defined benefit liability

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2024 €000	2023 €000	2024 €000	2023 €000	2024 €000	2023 €000
Balance at 1 January	96,045	89,996	(91,893)	(86,836)	4,152	3,160
Included in profit or loss						
Current service cost	129	126	-	-	129	126
Interest cost/(income)	4,523	4,459	(4,326)	(4,303)	197	156
Effect of movements in exchange rates	4,421	1,582	(4,214)	(1,525)	207	57
	9,073	6,167	(8,540)	(5,828)	533	339
Included in Other Comprehensive Income						
Remeasurements (gain)/loss:						
- Change in demographic assumptions	35	(967)	-	-	35	(967)
- Change in financial assumptions	(11,075)	2,931	-	-	(11,075)	2,931
- Experience adjustment	612	2,296	-	-	612	2,296
Return on plan asset excluding interest income	-	-	10,580	(3,056)	10,580	(3,056)
	(10,428)	4,260	10,580	(3,056)	152	1,204
Other						
Contributions paid by the employer	-	-	(120)	(551)	(120)	(551)
Benefits paid	(3,749)	(4,378)	3,749	4,378	-	-
Balance at 31 December	90,941	96,045	(86,224)	(91,893)	4,717	4,152

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**19 Post-employment benefits (continued)**

Plan assets	2024	2023
	€000	€000
Cash and cash equivalents	1,916	22
Equities (fund manager portfolio)	19,982	17,254
Bonds	51,734	59,522
Real estate	11,833	13,532
Other assets	759	1,563
Total	86,224	91,893

The Company operates a defined benefit pension scheme. The scheme covers employees of INEOS Commercial Services UK Limited. The scheme operates under trust law and is managed and administered by Trustees in accordance with the terms of the Trust Deed and Rules and relevant legislation, and who are directors of INEOS Chemicals Pension Plan which has a trust deed in favour of INEOS Commercial Services UK Limited. The defined benefit pension plans were historically final salary in nature. The scheme is now closed to new entrants and frozen to future accrual. The contributions paid to the scheme is set every three years based on a funding agreement between the Company and Trustees after taking actuarial advice.

Pension charges in relation to the INEOS Chemicals Pension Plan have been accounted for under IAS 19 Revised Employee Benefits in these financial statements. The scheme is of a defined benefit type under which benefits are based on employees' years of service and final remuneration.

Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages);

	2024	2023
Discount rate at 31 December	5.50%	4.70%
Rate of price inflation	3.10%	3.10%
Rate of pension increases (in-payment)	2.90%	2.90%
Rate of increase in deferred benefits	3.10%	3.10%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	2024	2023
	Years	Years
Longevity at aged 65 for current pensioners	22.98-24.94	22.99-24.85
Longevity at aged 65 for future retirees	23.88-26.03	23.90-25.98

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**19 Post-employment benefits (continued)****Sensitivity analysis**

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting year would have increased as a result of a change in the respective assumptions by 1% for the discount rate and 0.5% for the rate of inflation.

	2024 €000	2023 €000
Discount rate	14,500	17,022
Inflation (RPI, CPI)	4,557	5,366

In valuing the liabilities of the pension fund at €90,941,000 (2023: €96,045,000), mortality assumptions have been made as indicated above. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities would be €92,470,000 (2023: €97,928,000) having increased by €1,529,000 (2023: €1,883,000) before deferred tax.

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 December 2020 and are applied to adjust the defined benefit obligation at the end of the reporting year for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The distribution of the timing of benefit payments are as follows:

	2024 €000	2023 €000
Following period (expected)	3,581	4,284
Period (expected) +2	3,686	3,080
Period (expected) +3	3,792	3,169
Period (expected) +4	3,903	3,261
Period (expected) +5	4,015	3,356
Period (combined) +6 to +10	21,892	18,296

Funding

The Company expects to contribute €131,000 (2023: €125,000) to its closed defined benefit scheme in the next financial year.

Defined contribution plans

The Company operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was €635,000 (2023: €534,000).

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)

19 Post-employment benefits (continued)

UK High Court ruling

In June 2023, the UK High Court handed down a decision (Virgin Media Limited v NTL Pension Trustees II Limited and others) which potentially has implications for the validity of amendments made by pension schemes which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. The UK High Court ruled that any amendments made to these pension schemes during the relevant period would be void unless the scheme actuary had confirmed that the pension scheme would continue to satisfy the statutory standard for contracted-out schemes. On 25 July 2024, the Court of Appeal upheld the original decision. The Company understands that the trustees have reviewed all available scheme documents and no issues have been found with any scheme amendments. The Company’s legal advisers have reviewed the advice given to the trustees so far and have agreed with the conclusions reached.

20 Called up share capital

	Ordinary shares 2024	
On issue at 1 January and 31 December 2024 – fully paid		1
	2024 €000	2023 €000
Authorised, allotted, called up and fully paid 1 (2023: 1) ordinary shares of £1 each	-	-
	-	-

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 (2023: £nil).

21 Related parties

Related parties comprise of entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Commercial Services UK Limited.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow subsidiaries under common ownership. During the year the Company has entered into the following transactions outside of this exemption.

Notes to the financial statements for the year ended 31 December 2024
(forming part of the financial statements) (continued)**21 Related parties (continued)****Trading transactions**

During the year, the Company entered into the following transactions with related parties:

	Sales of goods and services and recovery of costs		Purchases of goods and services	
	2024 €000	2023 €000	2024 €000	2023 €000
INEOS Enterprises Holdings Limited related parties	50,955	108,191	11,435	6,475
INEOS Group Holdings S.A. related parties	302,274	229,187	226,756	293,767
INEOS Infrastructure (Grangemouth) Limited	34,296	34,308	5,209	5,549
INEOS Limited	-	-	6,543	6,222
INEOS Olefins S.A.	700	710	-	-
Petroineos related parties	9,652	12,270	-	391
INEOS Industries Property Limited	-	-	92	109
Belstaff Group SA	-	7	-	-
	397,877	384,673	250,035	312,513

Included within purchase of goods and services above is a management fee paid to INEOS Limited of €6,543,000 (2023: €6,222,000).

Outstanding balances

At the year end, the Company had the following balances with related parties:

	Receivables outstanding		Creditors outstanding	
	2024 €000	2023 €000	2024 €000	2023 €000
INEOS Enterprises Holdings Limited related parties	752	18,252	575	575
INEOS Group Holdings S.A. related parties	28,258	15,568	46,674	48,555
INEOS Infrastructure (Grangemouth) Limited	3,918	2,841	661	420
INEOS Olefins S.A.	111	48	-	-
INEOS Limited	-	-	2,774	10,758
Petroineos related parties	205	2,530	-	-
	33,244	39,239	50,684	60,308

In general, any trading balances with related parties are priced based on contractual arrangements and are to be settled in cash. The transactions are made on terms equivalent to those that prevail in arm's length transactions.

None of the related party balances are secured and no guarantees have been given or received. There were no provisions for doubtful debt related to any related parties as at 31 December 2024 (2023: €nil).

Notes to the financial statements for the year ended 31 December 2024

(forming part of the financial statements) (continued)

22 Controlling parties

The immediate parent undertaking is INEOS Grangemouth Limited.

The ultimate parent company at 31 December 2024 was INEOS Limited, a company incorporated in the Isle of Man.

INEOS Grangemouth Limited, a company incorporated in the UK, is the smallest group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Grangemouth Limited can be obtained from the Company Secretary at the registered office: Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

INEOS Industries Limited, a company incorporated in the UK, is the parent undertaking of the largest group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Industries Limited can be obtained from the Company Secretary at the registered office: Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

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

23 Accounting estimates and judgements

The Company prepares its financial statements in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework”, which require 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 affected.

The following areas are considered to involve a significant degree of judgement or estimation

Critical judgements in applying the Company’s accounting policies

The key judgment relates to the recoverability of amounts due from group undertakings. The directors have assessed the ability of group undertakings to pay amounts owed to the company as they fall due, and are confident that such amounts will be received, and that any credit loss is insignificant.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Post-retirement benefits

The Company operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in pensions;
- Inflation rate projections;
- Discount rate for scheme liabilities; and
- Expected rates of return on the scheme assets.

Details of post-employment benefits including the major actuarial assumptions and the sensitivity of the post-retirement benefits to the assumptions are set out in Note 19: pension plan assumptions.

Notes to the financial statements for the year ended 31 December 2024

(forming part of the financial statements) (continued)

23 Accounting estimates and judgements *(continued)*

Carrying value of investments

Determination as to whether, and how much, an investment is impaired involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products.

Management judgement is required to determine whether an indicator or potential impairment exists in relation to the Company's investments. The directors have identified that certain investments with net liabilities could be an indication of impairment so have carried out a full impairment review by comparing the carrying amount of the investment against the recoverable amount, being the value in use.

Sensitivity analysis was performed based on 10% increase in the discount rate, a 10% decrease to the growth rate and a 10% decrease in EBITDA, all of which are considered a reasonable possible change in estimate. Neither of the changes resulted in the recoverable amount being lower than the investment carrying amount.

24 Post balance sheet events

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