

Registered number: 03825057

AGC CHEMICALS EUROPE, LTD.

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

AGC CHEMICALS EUROPE, LTD.

COMPANY INFORMATION

Directors P D Davis (resigned 30 April 2025)
D Fujimoto (resigned 20 December 2024)
D Nishiyama (resigned 27 March 2025)
O Tagashira
N Mori
K Mori
A Ayanokoji (appointed 16 January 2025)
T Nagai (appointed 28 March 2025)

Company secretary J S Mills

Registered number 03825057

Registered office Hillhouse International
Fleetwood Road North
Thornton-Cleveleys
England
FY5 4QD

Independent auditor MHA
Century House
The Lakes
Northampton
NN4 7HD

AGC CHEMICALS EUROPE, LTD.

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Introduction

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

Principal activities

The Company's principal activity during the year was the manufacture, sale and resale of fluoropolymers.

Business review

The Profit and Loss account is presented on page 11 and shows the Company's financial performance for the year. Operating loss, the Company's key performance indicator, in 2024 was £0.7m (2023 - profit £6.5m) generated from a turnover of £151.6m (2023 - £172.9m).

The Company's balance sheet is presented on page 12 and shows its financial position at the year end. The Company had net assets of £39.9m (2023 - £41.3m). The Company had net current assets of £14.8m (2023 - £18.9m).

Principal risks and uncertainties

The directors consider the principal risks and uncertainties to the business to be:-

- i) Increase in PFAS regulations.
- ii) Capital investment weighted towards satisfying HSE and Environmental requirements.
- iii) Market volatility and increasing competitive threats.

The directors continue to monitor and mitigate these risks through ongoing discussions with customers and regulatory bodies.

Financial risk management and objectives

The Company's trading operations are primarily financed by bank loans. At the end of the year, the Company had external borrowings of £13m (2023 - £19m).

Interest rate risk

The Company seeks to deposit cash assets safely to minimise risk whilst maximising interest received. The Group is not reliant on interest income, however, partly finances operations through short term loans.

Liquidity risk

The Company seeks to ensure it has sufficient liquidity available to meet foreseeable needs. Cash reserves from trading activity minimise liquidity risk.

Liquidity is constantly monitored and controlled via budgeting and cashflow forecasting.

Currency risk

The Company is exposed to translation and transaction foreign exchange risks. Cash held in foreign currencies is converted to Sterling at the earliest opportunity to mitigate the potential risks.

Credit risk

All customers who wish to trade on credit terms are subject to credit vetting procedures, and debtors are monitored on an ongoing basis.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Streamlined energy and carbon reporting

As per the SECR report from an independent energy consultant:

	2024	2023
Energy consumption (Gas) used to calculate emissions (kWh)	56,953,601	71,794,810
Energy consumption (Electricity) used to calculate emissions (kWh)	24,261,929	26,470,515
Total energy consumption used to calculate emissions (kWh)	81,215,530	98,265,325
Emissions from combustion of gas (tCO ₂) - Scope 1	10,416.81	13,133.30
Emissions from purchased electricity (tCO ₂) - Scope 2	5,023.43	5,481.40
Total CO₂e Scope 1, 2 Gross emissions (tonnes)	15,440.24	18,614.70
Intensity ratio: Scope 1, 2 emissions (Net) tCO ₂ e/£m turnover	101.8	107.7

Electricity and gas figures are based on actual data from our energy providers for the year. The tonnes of CO₂e has been calculated based on multiplying the usage in kWh by the relevant conversion factors as published in the GHG Reporting Protocol.

Energy Efficiency Actions

In the fourth reporting year, the below energy efficiency actions have been carried out:

A comprehensive programme of LED lighting installation throughout the site was carried out, replacing older fluorescent and incandescent fittings.

Quantification and Reporting Methodology

HM Government *Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance (March 2020)* has been used for the collation of data sources and reporting of emissions. *UK Government GHG conversion Factors for Company Reporting* has been used for the reporting of emissions, using the 2024 version.

Intensity Measurement

The reporting metrics chosen are gross Scope 1 and Scope 2 energy related emissions in tonnes per £m of turnover, as this best reflects business activities. The intensity measurement will be reported each year, comparing against previous years and the base year.

Financial key performance indicators

	2024	2023
Return before tax on sales	(1.0)%	3.3%
Operating profit margin to sales	(0.5)%	3.8%
Return before tax on net assets	(3.9)%	13.7%

The current key performance indicators show an impact of recent Global economic downturn on the business.

Other key performance indicators

Other key performance indicators include supplier payment days and our environmental impact as discussed elsewhere in the Strategic and Directors' Reports.

AGC CHEMICALS EUROPE, LTD.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

This report was approved by the board and signed on its behalf.

N Mori
Director



Date: 27 August, 2025

AGC CHEMICALS EUROPE, LTD.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £1,831k (2023 - profit £3,546k).

The directors do not recommend the payment of a dividend (2023 - £Nil).

Directors

The directors who served during the year were:

P D Davis (resigned 30 April 2025)
D Fujimoto (resigned 20 December 2024)
D Nishiyama (resigned 27 March 2025)
O Tagashira
N Mori
K Mori

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Section 172(1) Companies Act 2006

The directors confirm that they have acted in good faith in the way they consider what would be most likely to promote the success of the Company for the benefit of its members. In doing so they have considered, among other matters, those set out in section 172(1) (a) to (f) of the Companies Act 2006; the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company. This statement applies equally to the directors individually and when acting collectively as the Board.

In discharging their duties in relation to section 172 (1), careful consideration is given to the matters set out above. The stakeholders we consider in this regard are primarily employees, suppliers and customers, the communities we operate in, the wider world and environment and shareholders.

Engagement with our shareholders and all stakeholders is of fundamental importance across the business and the directors are focused on building these relationships on a continuous basis.

Supplier payment policy

The Company's policy is to agree the terms of payment with suppliers at the commencement of the trading or contractual relationship and to operate within such terms subject to satisfactory completion of the suppliers' obligations.

The average number of days purchases represented by trade creditors at 31 December 2024 was 73 (2023 - 60).

Research and development activities

The Company continued research and development in new products and processes with particular emphasis on the delivery of environmental improvements.

Employees

Our people are critical to the success of our Company, and we are continuing to invest in making the Company a better place to work and become an employer of choice.

Suppliers and customers

We continue to build strong long-term relationships with both our supplier and customer bases. We depend on the capability and performance of our suppliers to assist in delivering the products and services we require for our operations to meet the needs of our customers. We work closely with our customers to understand their evolving needs so that we can continuously improve and adapt to them.

Quality

The directors are committed to the highest quality of products and services, this is achieved by regular quality assurance testing and ensuring that the company is in line with the latest quality standards.

Communities

We are committed to creating sustainable, long-term opportunities in our communities. In addition to aiming to become an employer of choice in our communities.

AGC CHEMICALS EUROPE, LTD.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Environment

A key objective is to minimise our environmental footprint. We remain committed to continuous improvement in our environmental performance and actively pursue initiatives to reduce waste, improve energy efficiency, and promote sustainable practices across our operations.

Shareholders

The directors regularly engage with our shareholders and feedback matters discussed to senior management.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditor

The auditor, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

N Mori
Director



Date: *27 August, 2025*

AGC CHEMICALS EUROPE, LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGC CHEMICALS EUROPE, LTD.

Opinion

We have audited the financial statements of AGC Chemicals Europe, Ltd. (the 'Company') for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

AGC CHEMICALS EUROPE, LTD.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGC CHEMICALS EUROPE, LTD.
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGC CHEMICALS EUROPE, LTD.
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Cut-off testing performed to provide assurance over year end allocation and recognition of revenue into the correct period;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

AGC CHEMICALS EUROPE, LTD.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGC CHEMICALS EUROPE, LTD.
(CONTINUED)**

Use of our report

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



Richard Powell BA FCA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditor

Northampton, United Kingdom

Date:

28 August 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

AGC CHEMICALS EUROPE, LTD.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £000	2023 £000
Turnover	3	151,626	172,902
Cost of sales		(136,959)	(150,505)
Gross profit		<u>14,667</u>	<u>22,397</u>
Distribution costs		(2,338)	(3,206)
Administrative expenses		(13,442)	(13,176)
Other operating income	4	400	489
Operating (loss)/profit	5	<u>(713)</u>	<u>6,504</u>
Income from shares in group undertakings		-	141
Loss on disposal of subsidiary		(86)	-
Interest receivable and similar income	9	212	238
Interest payable and similar expenses	10	(987)	(1,221)
(Loss)/profit before tax		<u>(1,574)</u>	<u>5,662</u>
Tax on (loss)/profit	11	(257)	(2,116)
(Loss)/profit for the financial year		<u>(1,831)</u>	<u>3,546</u>
Other comprehensive income for the year			
Remeasurement of net defined benefit liability		539	(903)
Current tax deductions allocated to actuarial gains		(135)	226
		<u>404</u>	<u>(677)</u>
Total comprehensive income for the year		<u>(1,427)</u>	<u>2,869</u>

The notes on pages 17 to 38 form part of these financial statements.

AGC CHEMICALS EUROPE, LTD.
REGISTERED NUMBER: 03825057

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	12	29,948	28,709
Investments	13	2,803	2,889
		32,751	31,598
Current assets			
Stocks	14	26,870	36,354
Debtors: amounts falling due after more than one year	15	769	769
Debtors: amounts falling due within one year	15	27,133	33,517
Cash at bank and in hand	16	5,494	6,708
		60,266	77,348
Creditors: amounts falling due within one year	17	(45,455)	(58,473)
		14,811	18,875
Net current assets		14,811	18,875
Total assets less current liabilities		47,562	50,473
Creditors: amounts falling due after more than one year	18	(133)	(143)
Provisions for liabilities			
Deferred tax	21	(1,793)	(1,622)
		(1,793)	(1,622)
Pension liability	27	(5,754)	(7,399)
		(5,754)	(7,399)
Net assets		39,882	41,309
Capital and reserves			
Called up share capital	22	-	-
Share premium account	23	50,000	50,000
Profit and loss account	23	(10,118)	(8,691)
		39,882	41,309

AGC CHEMICALS EUROPE, LTD.
REGISTERED NUMBER: 03825057

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N Mori
Director



Date: *27 August, 2025*

The notes on pages 17 to 38 form part of these financial statements.

AGC CHEMICALS EUROPE, LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2023	50,000	(11,560)	38,440
Comprehensive income for the year			
Profit for the year	-	3,546	3,546
Deferred tax on other comprehensive income	-	226	226
Remeasurement of the net defined benefit liability	-	(903)	(903)
Other comprehensive income for the year	-	(677)	(677)
Total comprehensive income for the year	-	2,869	2,869
At 1 January 2024	50,000	(8,691)	41,309
Comprehensive income for the year			
Loss for the year	-	(1,831)	(1,831)
Deferred tax on other comprehensive income	-	(135)	(135)
Remeasurement of the net defined benefit liability	-	539	539
Other comprehensive income for the year	-	404	404
Total comprehensive income for the year	-	(1,427)	(1,427)
At 31 December 2024	50,000	(10,118)	39,882

AGC CHEMICALS EUROPE, LTD.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	£000	£000
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,831)	3,546
Adjustments for:		
Depreciation of tangible assets	3,448	3,919
Loss on disposal of subsidiary	86	-
Loss on disposal of tangible assets	4	-
Interest paid	987	1,221
Interest and dividends received	(212)	(379)
Taxation charge	257	2,116
Decrease/(increase) in stocks	9,484	(78)
Decrease/(increase) in debtors	6,507	(172)
Increase/(decrease) in creditors	1,766	(2,569)
(Decrease) in amounts owed to groups	(9,156)	(172)
Foreign exchange	(290)	(520)
Corporation tax (paid)	(798)	(564)
Net cash generated from operating activities	10,252	6,348
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,225)	(4,429)
Sale of tangible fixed assets	534	-
Interest received	212	238
Investments in group companies	-	141
Net cash from investing activities	(4,479)	(4,050)
Cash flows from financing activities		
Repayment of loans	(6,000)	(125)
Interest paid	(987)	(1,221)
Net cash used in financing activities	(6,987)	(1,346)
Net (decrease)/increase in cash and cash equivalents	(1,214)	952
Cash and cash equivalents at beginning of year	6,708	5,756
Cash and cash equivalents at the end of year	5,494	6,708
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,494	6,708

AGC CHEMICALS EUROPE, LTD.

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	At 1 January 2024 £000	Cash flows £000	At 31 December 2024 £000
Cash at bank and in hand	6,708	(1,214)	5,494
Debt due within 1 year	(19,000)	6,000	(13,000)
	<u>(12,292)</u>	<u>4,786</u>	<u>(7,506)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. General information

AGC Chemicals Europe, Ltd is a company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 03825057 and the registered address is Hillhouse International, Fleetwood Road North, Thornton Cleveleys, England, FY5 4QD.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

2. Accounting policies

2.1 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the Company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

2.2 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**

2. Accounting policies (continued)

2.3 Critical judgements and estimates in applying accounting policies

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenue and expenses, actual results may differ from these estimates.

Estimates and underlying assumptions that are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations in determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market condition. Additional information is disclosed in note 27.

2.4 Exemption from preparing consolidated financial statements

The results and net assets of each of the subsidiaries of the Company are not material to the Group for the purpose of giving a true and fair view and each subsidiary is therefore exempt from being included in consolidated financial statements for the Group under section 405 of the Companies Act 2006. On this basis the Company is exempt from the requirement to prepare consolidated financial statements under section 402 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.5 Going concern

The financial statements have been prepared on a going concern basis.

The parent company has provided a letter of support and will continue to provide the necessary financial support to the Company for at least 12 months from the date of signing these financial statements.

The business experienced a fire in October 2024 within the Steam Pyrolysis section of the plant. This caused an outage of 3 months, however, with support from the parent company and due to a healthy finished goods stock position, built for the planned annual outage, the impact to customers was minimal. An insurance claim is ongoing to cover any losses.

After making inquiries of the group directors and inspecting the latest audited financial statements of the group, the directors of the Company are satisfied that the fire incident has not significantly impacted the intent and ability of the group to be able to provide this support.

On the basis of their assessment of the Company's financial position and current financial projections and facilities available, and the support indicated by the group, the directors of the Company have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the Balance Sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land	- Not depreciated
Freehold property	- over 20 years
Plant and machinery	- over 10 years
Engineering spares	- over 10 years
Major plant and infrastructure	- over 15 years
Computer equipment	- over 3 to 4 years
ETFE plant	- over 15 years
Assets under construction	- Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements 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 2024**

2. Accounting policies (continued)

2.10 Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance 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.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.11 Taxation

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.12 Turnover

Turnover is recognised when the significant risks and rewards of ownership have been transferred to the customer. For the majority of customers, this is when delivery has been made or specifically when title has passed, the point at which title passes varying in accordance with the terms and conditions of trade. Turnover is recognised when the amount of the turnover and related costs can be measured reliably, and the collectability of the related receivables is reasonably assured.

Turnover is measured at the fair value of the amount received or receivable which is arrived at after deducting trade rebates, customer returns and value added tax. Shipping and handling costs, such as freight to our customers' destination are included in cost of sales.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. Turnover

An analysis of turnover by class of business is as follows:

	2024	2023
	£000	£000
Sale of goods	151,626	172,902

The whole of the turnover is attributable to the principal activity of the Company.

The analysis of turnover by geographical market required by Companies Act 2006 has not been provided as, in the opinion of the directors such disclosure would be seriously prejudicial to the interest of the Company.

4. Other operating income

	2024	2023
	£000	£000
Research and development tax credit	400	489

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2024	2023
	£000	£000
Depreciation of tangible fixed assets	3,448	3,919
Other operating lease rentals	348	200

6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2024	2023
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	49	52
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	11	10
Audit of subsidiaries	3	5
All other services	7	6

AGC CHEMICALS EUROPE, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. Employees

Staff costs were as follows:

	2024	2023
	£000	£000
Wages and salaries	13,706	13,182
Social security costs	1,334	1,331
Cost of defined contribution scheme	996	1,008
Cost of defined benefit scheme	16	15
	<u>16,052</u>	<u>15,536</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2024	2023
	No.	No.
Production	133	132
Administration	75	89
	<u>208</u>	<u>221</u>

8. Directors' remuneration

	2024	2023
	£000	£000
Directors' emoluments	704	793
Company contributions to defined contribution pension schemes	18	17
	<u>722</u>	<u>810</u>

During the year retirement benefits were accruing to 1 director (2023 - 1) in respect of defined contribution pension schemes.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £203k (2023 - £223k).

9. Interest receivable

	2024	2023
	£000	£000
Interest receivable on financial assets	212	238

AGC CHEMICALS EUROPE, LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

10. Interest payable and similar expenses

	2024 £000	2023 £000
Bank interest payable	665	872
Net interest on net defined benefit liability	322	349
	<u>987</u>	<u>1,221</u>

11. Taxation

	2024 £000	2023 £000
Foreign tax		
Foreign tax on income for the year	221	226
Foreign tax in respect of prior periods	-	666
Total current tax	<u>221</u>	<u>892</u>
Deferred tax		
Origination and reversal of timing differences	36	1,224
Total deferred tax	<u>36</u>	<u>1,224</u>
Taxation on profit on ordinary activities	<u>257</u>	<u>2,116</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - higher than) the current (2023 - blended) rate of corporation tax in the UK of 25% (2023 - 23.52%). The differences are explained below:

	2024	2023
	£000	£000
(Loss)/profit on ordinary activities before tax	(1,574)	5,662
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 25%)	(394)	1,332
Effects of:		
Fixed asset differences	336	2
Capital allowances for year in excess of depreciation	-	(709)
Other permanent differences	34	23
Additional deduction for land remediation expenses	-	(1)
Remeasurement of deferred tax for changes in tax rates	-	577
R&D expenditure credits	60	-
Adjustment to tax charge in respect of prior periods	-	666
Overseas tax	221	226
Total tax charge for the year	257	2,116

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The Company expects to be in scope of Pillar Two legislation from 1 April 2024 however they do not expect the legislation to result in any additional tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

12. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Engineering spares £000	Total £000
Cost or valuation				
At 1 January 2024	1,702	84,759	3,293	89,754
Additions	-	3,803	107	3,910
Disposals	-	(733)	-	(733)
Movement of shutdown expenses	-	1,315	-	1,315
At 31 December 2024	<u>1,702</u>	<u>89,144</u>	<u>3,400</u>	<u>94,246</u>
Depreciation				
At 1 January 2024	1,255	58,948	842	61,045
Charge for the year on owned assets	29	3,276	143	3,448
Disposals	-	(195)	-	(195)
At 31 December 2024	<u>1,284</u>	<u>62,029</u>	<u>985</u>	<u>64,298</u>
Net book value				
At 31 December 2024	<u>418</u>	<u>27,115</u>	<u>2,415</u>	<u>29,948</u>
At 31 December 2023	<u>447</u>	<u>25,811</u>	<u>2,451</u>	<u>28,709</u>

Included in freehold property is freehold land of £174k (2023 - £174k).

Included in plant and machinery is plant shutdown costs amounting to £1,829k (2023 - £514k).

Included in plant and machinery is assets under construction amounting to £6,106k (2023 - £4,248k).

Included in engineering spares additions is the net movement in the year of spare parts which are used across Company plant.

AGC CHEMICALS EUROPE, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2024	2,889
Disposals	(86)
At 31 December 2024	<u>2,803</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Fenix Fluor Limited	Hillhouse International Fleetwood Road North, Thornton-Cleveleys, England, FY5 4QD.	Manufacture of chemicals	Ordinary	100%
AGHOCO 1491 Limited	Victrex, Hillhouse International, Thornton- Cleveleys, Lancashire, England, FY5 4QD.	Maintain the electric substation for AGCCE and Victrex PLC	Ordinary	50%

The carrying value of the investment at 31 December 2024 in Fenix Fluor Limited is supported by the value of the net assets of that company.

During the year, the Company disposed of its investment in 100% owned subsidiary AGC Chemicals RUS L.L.C. for nil consideration.

In February 2017 the Company invested £1 in AGHOCO 1491 Limited a joint venture with Victrex Plc for execution and maintenance of the Electrical Substation. In February 2017 AGCCE provided AGHOCO 14191 Limited a non-interest bearing loan of £1,537,273 with annual repayments. In December 2019 an additional £446,619 was recorded as an increase in the investment in AGHOCO 1491 Limited as a capital contribution under FRS 102 section 11. The loan receivable is paid annually each year from AGHOCO 1491 Limited to the Company and the final payment will be made in 2037.

AGC CHEMICALS EUROPE, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. Stocks

	2024	2023
	£000	£000
Raw materials and consumables	10,516	9,707
Finished goods and goods for resale	16,354	26,647
	26,870	36,354

15. Debtors

	2024	2023
	£000	£000
Due after more than one year		
Long term receivable from AGHOCO 1491 Ltd	769	769

	2024	2023
	£000	£000
Due within one year		
Trade debtors	15,545	21,866
Amounts owed by group undertakings	10,283	9,921
Other debtors	766	1,003
Prepayments and accrued income	539	727
	27,133	33,517

16. Cash and cash equivalents

	2024	2023
	£000	£000
Cash at bank and in hand	5,494	6,708

AGC CHEMICALS EUROPE, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

17. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Bank loans	13,000	19,000
Trade creditors	1,780	1,600
Amounts owed to group undertakings	25,453	34,247
Other taxation and social security	268	255
Other creditors	228	311
Accruals and deferred income	4,726	3,060
	45,455	58,473

The bank loans have been guaranteed by the ultimate parent company, AGC Inc.

18. Creditors: Amounts falling due after more than one year

	2024	2023
	£000	£000
Other - pension provision	133	143

19. Loans

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

The current short-term loan facility of £24,000k from Bank of Tokyo @ 0.650% plus the Bank's cost of funds in the London inter-bank market per annum is available until October 2025 and is renewable on a yearly basis. The amount drawn down at the year-end is as follows:

	2024	2023
	£000	£000
Amounts falling due within one year		
Bank loans	13,000	19,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. Financial instruments

Financial instruments explanations of the objectives and policies for holding or issuing financial instruments are disclosed in the Strategic Report on page 1. Except for the purposes of currency disclosure, the Company does not treat its short-term debtors and creditors as financial instruments. The Company does not enter into derivative financial instruments. The book value of financial instruments is not materially different to their fair value.

21. Deferred taxation

	2024	2023
	£000	£000
At beginning of year	1,622	624
Charged to profit or loss	36	1,224
Charged to other comprehensive income	135	(226)
At end of year	1,793	1,622

The deferred tax liability is made up as follows:

	2024	2023
	£000	£000
Accelerated capital allowances	4,193	3,907
Tax losses carried forward	(927)	(398)
Employee benefits	(1,473)	(1,887)
	1,793	1,622

22. Share capital

	2024	2023
	£000	£000
Allotted, called up and fully paid		
Ordinary shares of £1 each	15	15

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

23. Reserves

Share premium account

Records the premium above the nominal value on shares issued.

Profit and loss account

Includes all current period retained profits and losses.

24. Contingent liabilities

AGC Chemicals Europe Ltd manufacture and sell a variety of fluorine-related products.

Per- and polyfluoroalkyl substances (PFAS) are a broad group of chemical compounds containing carbon and fluorine atoms, with an estimated total of around 12,000 different types. Currently, only a small number of these PFAS are regulated under international treaties due to concerns about their potential impact on human health and the environment.

AGC Chemicals Europe Ltd has never manufactured or sold PFOS or PFHxS. Additionally, we voluntarily discontinued the manufacture and sale of PFOA prior to its inclusion in international regulatory frameworks.

Although each PFAS compound has distinct characteristics and properties, recent developments in Europe and certain U.S. states suggest a trend toward regulating PFAS as a single group.

Recognising the essential industrial role of our fluorine-related products, AGC Chemicals Europe Ltd is committed to ensuring that PFAS regulations are appropriately scoped, based on robust scientific evidence, and take into account the specific properties of individual substances. We are actively participating in regulatory discussions, including submitting public comments to European authorities.

While the final scope and content of PFAS regulations remain uncertain, there is a possibility that future regulatory developments could affect AGC Chemicals Europe Ltd's business performance, depending on the nature and extent of such regulations.

The Company's bank has guaranteed transactions totalling £253k (2023 - £253k).

25. Contingent asset

At 31 December 2024, there is a probable likelihood of an inflow of economic benefits to the Company. This is following an incident on 19 October 2024 where a fire occurred at the Company premises.

On agreement with their insurance provider, the Company is subsequently measuring and claiming for damages in relation to any income lost directly attributable to this incident.

At the year-end, the expected value receivable is uncertain and will not be determined until the end of the assessment period of 12 months from the date of the incident.

AGC CHEMICALS EUROPE, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

26. Capital commitments

At 31 December 2024, the Company had entered into contractual agreements with suppliers to purchase tangible fixed assets for the quantum of £1,603k (2023 - £1,288k).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

27. Pension commitments

Defined contribution plan

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £4k (2023 - £4k) were payable to the fund at the reporting date.

The Company operates a Defined Benefit Pension Scheme.

Defined benefit plan

For some employees, the Company operates a Defined Benefit Pension Scheme providing benefits based on final pensionable pay. The assets of the plan are held in a separate trustee administered fund.

Reconciliation of present value of plan liabilities:

	2024	2023
	£000	£000
Reconciliation of present value of plan liabilities		
At the beginning of the year	45,192	44,920
Current service cost	7	6
Interest cost	2,102	2,196
Actuarial gains/losses	(3,740)	98
Contributions	9	9
Benefits paid	(2,858)	(2,037)
At the end of the year	40,712	45,192

Reconciliation of present value of plan assets:

	2024	2023
	£000	£000
At the beginning of the year	37,793	37,140
Interest income	1,780	1,847
Contributions by members	9	9
Actuarial gains/losses	(3,201)	(805)
Contributions by employer	1,687	2,037
Administrative expenses	(252)	(398)
Benefits paid	(2,858)	(2,037)
At the end of the year	34,958	37,793

AGC CHEMICALS EUROPE, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

27. Pension commitments (continued)

	2024	2023
	£000	£000
Fair value of plan assets	34,958	37,793
Present value of plan liabilities	(40,712)	(45,192)
Net pension scheme liability	(5,754)	(7,399)

The amounts recognised in profit or loss are as follows:

	2024	2023
	£000	£000
Current service cost	7	6
Net interest on net defined benefit liability	322	349
Total	329	355

Reconciliation of fair value of plan assets were as follows:

	2024	2023
	£000	£000
Equity instruments	8,233	7,404
Property	3,917	3,918
Diversified Growth Funds	7,607	7,334
LDI	11,852	16,004
Cash	1,104	954
Other	2,245	2,179
	34,958	37,793

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

27. Pension commitments (continued)

None of the assets of the Scheme are directly invested in the Company's own financial instruments or in any property occupied by the Company.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2024	2023
	%	%
Discount rate	5.55	4.80
Future salary increases	Nil	Nil
Price inflation measured by RPI	3.20	3.15
Price inflation measured by CPI	2.90	2.75
Future pension increases (5.0% LPI) - RPI Linked	3.00	3.00
Future pension increases (2.5% LPI) - RPI Linked	2.00	2.00
Future pension increases (5.0% LPI) - CPI Linked	2.80	2.70
Future pension increases (3.0% LPI) - CPI Linked	2.20	2.10
Future pension increases (2.5% LPI) - CPI Linked	1.90	1.90

The last full actuarial valuation was performed as at 30 November 2021. To measure the defined benefit obligation as at 31 December 2024 the Company utilised an independent qualified actuary to update the calculations in accordance with FRS 102.

In valuing the liabilities of the pension fund at 31 December 2024, mortality assumptions have been made as indicated below.

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:

- Current pensioner aged 65: 25 years (male), 28 years (female).
- Future retiree upon reaching 65: 27 years (male), 29 years (female)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

28. Commitments under operating leases

At 31 December 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024	2023
	£000	£000
Not later than 1 year	348	200
Later than 1 year and not later than 5 years	474	50
	822	250

29. Related party transactions

The Company has taken advantage of the exemption contained within section 33.7 of FRS 102 not to disclose transactions with fellow group undertakings that are 100% subsidiaries. Such exemption is taken on the grounds that AGC Chemicals Europe, Ltd. is a wholly owned subsidiary of AGC Inc., whose accounts are available for public inspection.

During the year the Company made purchases of £131k (2023 - £102k) from a 50% owned joint venture company. At the reporting date the Company was owed £769k (2023 - £769k) by this company.

30. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of AGC Inc. The ultimate controlling party is AGC Inc.

The largest group in which the results of the Company are consolidated is that headed by AGC Inc. incorporated in Japan. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary at the registered office, 1-5-1, Marunouchi, Chiyoda-ku, Tokyo, 100-8405, Japan.

