



**CELTIC RENEWABLES GRANGEMOUTH LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

FRIDAY



AEBWJ220

A12

26/09/2025

#141

COMPANIES HOUSE

Celtic Renewables Grangemouth Limited
Contents

	Page
Directors' Report	1–2
Independent Auditor's Report	3–4
Balance Sheet	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7–13

Celtic Renewables Grangemouth Limited
Company No. SC582830
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.

Principal Activity

The principal activity of the Company is the commercial operation of a demonstrator manufacturing plant for the ABE fermentation technology to sustainably produce high value solvents. The company utilises intellectual property and know-how licenced by the Parent Company, thereby reducing carbon consumption through the production of solvents from a non-fossil fuel source.

Dividends

The directors do not recommend the payment of a dividend for the period (2023 – Nil).

Directors

The directors who held office during the year were as follows:

Mr Mark Simmers

Mr Donal Fullerton (resigned 16 April 2025)

Mrs Kerry Crawford was appointed on 17 April 2025

Directors' Indemnities

Directors' and officers' insurance cover was in place for all directors to provide appropriate cover for their reasonable actions on behalf of the company during the 2024 financial year.

Funding and Going Concern

The Company incurred a loss of £7,743,415 for the year ended 31 December 2024 and at that date had net liabilities of £32,545,771.

As the Company requires support from the Parent Company in the short term, and the Parent Company has committed to provide the required support, the funding and going concern for the Company is effectively tied to that of the Parent Company.

During 2024 the Parent Company secured £5m of funding in the form of convertible loan agreements to fund the implementation of its business strategy and the Company raised £2m of funding in the form of additional senior debt from Scottish Enterprise. Production has commenced at the Company's plant and shipments of products have been invoiced to customers. In the short term the Parent Company's, and therefore the Company's, ability to continue as a going concern relies on the success of continued fundraising more so than on cash flow from plant manufacturing activities.

The Parent Company recently agreed a "Bridge Funding Round" to fund the implementation of its business plan during 2025, pending launch of a "Growth Raise Funding Round". The total funding from this round is £6.3m, of which £4.4m has been drawn down to date through a combination of senior debt from Scottish Enterprise and convertible loan notes.

The Parent Company has launched its "Growth Raise Funding Round". Success in securing this funding will continue to ensure the operational capabilities and research activities of the existing demonstrator plant whilst also enabling progress towards project sanction on scale-up biorefinery opportunities.

As at 31 December 2024, the parent company had £18,591,848 convertible loans notes and £4,497,674 debentures outstanding and classified as current liabilities in the balance sheet as both are repayable on 30 September 2025. However, the convertible loan notes will automatically convert into equity if not repaid by this date. Prior to the completion of the planned funding round, the expectation is that the convertible loan notes will convert into equity shares and post-completion the residual debenture will be repaid.

The current status of the Bridge Funding round and interest in the Growth Raise Funding Round and other initiatives the company is pursuing, gives the directors confidence that the Company will have sufficient cash to meet all costs as they fall due for a period greater than 12 months from the date of signing these financial statements. Whilst the directors recognise that the nature and value of the planned funding represents a material uncertainty, that may cast significant doubt on the Company's ability to continue as a going concern, they are confident of success and, accordingly, have prepared the financial statements of both the Parent Company and the Company for the year ended 31 December 2024 on a going concern basis.

Celtic Renewables Grangemouth Limited
Directors' Report (continued)
For The Year Ended 31 December 2024

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

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

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

Independent Auditor

A resolution to re-appoint the auditor, RSM UK Audit LLP, will be proposed at the forthcoming Annual General Meeting.

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the board

Mark Simmers

Date 19/05/25

**Independent Auditor's Report
to the Members of
Celtic Renewables Grangemouth Limited**

Opinion

We have audited the financial statements of Celtic Renewables Grangemouth Limited (the 'company') for the year ended 31 December 2024 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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;
- 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.2 in the financial statements, which describes the Director's assessment over the Company's ability to continue as a going concern. The Company incurred a loss of £7,743,415 for the year ended 31 December 2024 and at that date had net liabilities of £32,545,771. As the Company requires support from the Parent Company, Celtic Renewables Limited, in the short term, and the Parent Company has committed to provide the required support, the funding and going concern for the Company is effectively tied to that of the Parent Company. The Group's ability to continue as a going concern relies on the success of continued fundraising. Also, the Parent Company's liabilities include £4.5m of current debt facilities which mature on 30 September 2025 and require repayment. The nature and value of the planned Growth Raise Funding Round has not currently been finalised. As stated in note 3.2, these events and conditions, along with the other matters as set forth in note 3.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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

**Independent Auditor's Report (continued)
to the Members of
Celtic Renewables Limited**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business alongside challenging judgments and estimates applied in the preparation of the financial statements.

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

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.

K Morrison

Katie Morrison (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP,
Statutory Auditor

Date 19/05/25

RSM UK Audit LLP
Third Floor, Centenary House
69 Wellington Street
Glasgow
G2 6HG

Celtic Renewables Grangemouth Limited
Balance Sheet
As At 31 December 2024

Registered number: SC582830

		2024	2023
	Notes	£	£
FIXED ASSETS			
Tangible Assets	9	21,233,716	22,167,050
		21,233,716	22,167,050
CURRENT ASSETS			
Stocks	10	341,883	311,758
Debtors	11	730,518	698,179
Cash at bank and in hand		100,405	356,466
		1,172,806	1,366,403
Creditors: Amounts Falling Due Within One Year	12	(2,127,807)	(2,126,440)
NET CURRENT LIABILITIES		(955,001)	(760,037)
TOTAL ASSETS LESS CURRENT LIABILITIES		20,278,715	21,407,013
Creditors: Amounts Falling Due After More Than One Year	13	(52,824,486)	(46,209,369)
NET LIABILITIES		(32,545,771)	(24,802,356)
CAPITAL AND RESERVES			
Called up share capital	14	50,000	50,000
Profit and Loss Account		(32,595,771)	(24,852,356)
SHAREHOLDERS' FUNDS		(32,545,771)	(24,802,356)

In accordance with section 444(5) of the Companies Act 2006 relating to small companies, the company has not presented its own profit and loss account. The company's loss for the year was £7,743,415 (2023: £5,705,697 loss). These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

On behalf of the board

Mark Simmers

Date **19/05/25**

The notes on pages 7 to 13 form part of these financial statements.

Celtic Renewables Grangemouth Limited
Statement of Changes in Equity
For The Year Ended 31 December 2024

	Share Capital	Profit and Loss Account	Total
	£	£	£
As at 1 January 2023	50,000	(19,146,659)	(19,096,659)
Loss for the year and total comprehensive income	-	(5,705,697)	(5,705,697)
As at 31 December 2023 and 1 January 2024	50,000	(24,852,356)	(24,802,356)
Loss for the year and total comprehensive income	-	(7,743,415)	(7,743,415)
As at 31 December 2024	50,000	(32,595,771)	(32,545,771)

Celtic Renewables Grangemouth Limited
Notes to the Financial Statements
For The Year Ended 31 December 2024

1. General Information

The principal activity of the Company is the commercial operation of a demonstrator manufacturing plant for the ABE fermentation technology to sustainably produce high value solvents using the intellectual property and know-how licenced to the Company by the Parent Company, thereby reducing carbon consumption through the production of solvents from a non-fossil fuel source.

Celtic Renewables Grangemouth Limited is a private company, limited by shares, incorporated in Scotland, registered number SC582830. The registered office is Suite 2, Ground Floor Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS. The principal place of business is 3 Caledon Green, Grangemouth, FK3 8TR.

2. Statement of Compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 section 1A Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. Accounting Policies

3.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention, modified to include the recognition of certain financial liabilities measured at amortised costs. The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to Section 33 paragraph 33.1A from the requirement to disclose transactions between two or more members of a group.

3.2. Going Concern Disclosure

The Company incurred a loss of £7,743,415 for the year ended 31 December 2024 and at that date had net liabilities of £32,545,771.

As the Company requires support from the Parent Company in the short term, and the Parent Company has committed to provide the required support, the funding and going concern for the Company is effectively tied to that of the Parent Company.

During 2024 the Parent Company secured £5m of funding in the form of convertible loan agreements to fund the implementation of its business strategy and the Company raised £2m of funding in the form of additional senior debt from Scottish Enterprise. Production has commenced at the Company's plant and shipments of products have been invoiced to customers. In the short term the Parent Company's, and therefore the Company's, ability to continue as a going concern relies on the success of continued fundraising more so than on cash flow from plant manufacturing activities.

The Parent Company recently agreed a "Bridge Funding Round" to fund the implementation of its business plan during 2025, pending launch of a "Growth Raise Funding Round". The total funding from this round is £6.3m, of which £4.4m has been drawn down to date through a combination of senior debt from Scottish Enterprise and convertible loan notes.

The Parent Company has launched its "Growth Raise Funding Round". Success in securing this funding will continue to ensure the operational capabilities and research activities of the existing demonstrator plant whilst also enabling progress towards project sanction on scale-up biorefinery opportunities.

As at 31 December 2024, the parent company had £18,591,848 convertible loans notes and £4,497,674 debentures outstanding and classified as current liabilities in the balance sheet as both are repayable on 30 September 2025. However, the convertible loan notes will automatically convert into equity if not repaid by this date. Prior to the completion of the planned funding round, the expectation is that the convertible loan notes will convert into equity shares and post-completion the residual debenture will be repaid.

The current status of the Bridge Funding round and interest in the Growth Raise Funding Round and other initiatives the company is pursuing, gives the directors confidence that the Company will have sufficient cash to meet all costs as they fall due for a period greater than 12 months from the date of signing these financial statements. Whilst the directors recognise that the nature and value of the planned funding represents a material uncertainty, that may cast significant doubt on the Company's ability to continue as a going concern, they are confident of success and, accordingly, have prepared the financial statements of both the Parent Company and the Company for the year ended 31 December 2024 on a going concern basis.

Celtic Renewables Grangemouth Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2024

3.3. Significant judgements and estimations

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern has been identified as a critical area of judgement and is detailed in note 3.2.

The directors are required to exercise judgement in assessing whether any indicators of impairment exist over the current carrying value of tangible fixed assets, giving due consideration to the likelihood of the project operating commercially in line with planned expectations. Production has commenced at the Company's demonstrator plant and the Company is making good progress towards full steady-state production. As a result, no further adjustment to the carrying value is required as of 31 December 2024. As of 31 December 2021, the directors determined that the plant carrying value should be impaired by £17.2m to reflect the additional costs of building this specific, first of a kind plant during the Covid-19 pandemic, and as of 31 December 2024 no further adjustment to the carrying value is required.

3.4. Turnover

Sale of goods

Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods. Income is measured at the fair value of the consideration received or receivable, net of sales related taxes.

Other operating income

Other operating income is measured at the fair value of the consideration received or receivable, net of sales related taxes.

3.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold	25 Years, Straight-line
Plant & Machinery	Between 4 - 25 years, Straight-line
Computer & Office Equipment	Between 3 - 5 years, Straight-line

Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Any impairment loss is recognised immediately in profit or loss.

3.6. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

3.7. Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks, other short-term highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to a known amount of cash with insignificant risk of change in value, and bank overdrafts.

Celtic Renewables Grangemouth Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2024

3.8. Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all financial instruments.

Financial instruments are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank and other loans, loans from fellow group companies and debentures that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3.9. Interest Receivable

All interest amounts receivable are recognised in profit and loss in the period in which they are incurred.

3.10. Interest Payable

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.11. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

3.12. Taxation

The tax expense represents current and deferred tax recognised in the reporting period.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

R&D tax credits

R&D tax credits are recognised at fair value of the asset received or receivable when there is reasonable assurance that claims will be successful. R&D tax credits are recognised as part of the taxation charge or credit in the year the recognition criteria is met. R&D tax credits relating to earlier periods are included in the current tax charge or credit as adjustments in respect of prior periods.

...CONTINUED

Celtic Renewables Grangemouth Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2024

3.12. Taxation - continued

Deferred tax

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

4. Operating Loss

The operating loss is stated after charging:

	2024	2023
	£	£
Net foreign exchange loss	290	944
Depreciation of tangible fixed assets (note 9)	1,042,618	781,145
	<u>1,042,618</u>	<u>781,145</u>

5. Auditor's Remuneration

Remuneration received by the company's auditors during the year was as follows:

	2024	2023
	£	£
Audit Services		
Audit of the company's financial statements	29,705	38,090
	<u>29,705</u>	<u>38,090</u>

6. Average Number of Employees

All staff costs (including directors remuneration) of the group are being borne by the Parent Company. The Company has been recharged staff costs which are directly attributable to the operation of the demonstration plant.

Average number of employees, including directors, during the year was: NIL (2023: NIL)

7. Interest Payable and Similar Charges

	2024	2023
	£	£
Interest payable on other loans	1,476,647	1,038,529
Other finance charges	14,092	-
	<u>1,490,739</u>	<u>1,038,529</u>

8. Tax on Loss

The tax credit on the loss for the year was as follows:

	2024	2023
	£	£
Current tax		
UK Corporation Tax	(502,905)	(967,325)
	<u>(502,905)</u>	<u>(967,325)</u>
Total tax credit for the period	<u>(502,905)</u>	<u>(967,325)</u>

The actual credit for the year can be reconciled to the expected credit for the year based on the loss and the standard rate of corporation tax as follows:

...CONTINUED

Celtic Renewables Grangemouth Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2024

8. Tax on Loss (continued)

	2024	2023
	£	£
Loss before tax	(8,246,320)	(6,673,022)
Loss before tax multiplied by standard UK rate of tax 25% (2023:23.52%)	(2,061,580)	(1,569,531)
Goodwill/depreciation not allowed for tax	50,299	-
(Income)/ expenditure not deductible for tax purposes	(99,896)	98,876
Tax losses utilised	1,257,263	1,214,759
Short term timing differences	-	(14,762)
Research and Development tax credit	(1,204,474)	(993,710)
Prior period adjustment	-	(556,810)
Deferred tax not recognised	1,555,483	853,853
Total tax charge for the period	(502,905)	(967,325)

The company has trading losses carried forward of £37,069,556 (2023: £33,111,411) which may reduce future tax charges. In line with applicable accounting standards, this potential asset has not been recognised within the financial statements due to uncertainty over timing of future recoverability.

9. Tangible Assets

	Land & Property Leasehold	Plant & Machinery	Computer & Office Equipment	Total
	£	£	£	£
Cost				
As at 1 January 2024	9,132,373	30,997,254	22,487	40,152,114
Additions	7,620	101,664	-	109,284
As at 31 December 2024	9,139,993	31,098,918	22,487	40,261,398
Depreciation & Impairment				
As at 1 January 2024	3,951,496	14,023,465	10,103	17,985,064
Provided during the period	201,198	837,246	4,174	1,042,618
As at 31 December 2024	4,152,694	14,860,711	14,277	19,027,682
Net Book Value				
As at 31 December 2024	4,987,299	16,238,207	8,210	21,233,716
As at 1 January 2024	5,180,877	16,973,789	12,384	22,167,050

Celtic Renewables Grangemouth Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2024

10. Stocks

	2024	2023
	£	£
Raw materials, consumables and spares	304,101	303,782
Finished goods	37,782	-
Work in progress	-	7,976
	<u>341,883</u>	<u>311,758</u>

11. Debtors

	2024	2023
	£	£
Due within one year		
Trade debtors	73,746	33,532
Prepayments and accrued income	29,524	31,736
Corporation tax recoverable assets	502,905	556,521
VAT	124,343	76,390
	<u>730,518</u>	<u>698,179</u>

12. Creditors: Amounts Falling Due Within One Year

	2024	2023
	£	£
Trade creditors	1,190,014	783,449
Capital loan funding	887,994	1,262,654
Other creditors	49,799	80,337
	<u>2,127,807</u>	<u>2,126,440</u>

13. Creditors: Amounts Falling Due After More Than One Year

	2024	2023
	£	£
Capital funding loan	21,120,072	17,268,765
Amounts owed to participating interests	31,704,414	28,940,604
	<u>52,824,486</u>	<u>46,209,369</u>

The loan from Scottish Enterprise (Capital funding loan) was granted on 28 February 2020 and bears interest at a fixed rate of 7.5% per annum from the utilisation date. The Scottish Enterprise loan ranks senior to the intercompany loan and is secured, inter-alia, by a fixed charge over the lease premium and a floating charge over all of the Company's assets as well as a share pledge and guarantee from the Company's holding company, Celtic Renewables Limited.

In September 2024 the company agreed terms and completed all necessary financing documents with Scottish Enterprise to increase its borrowings under the existing senior debt facility by a further £2m at a fixed rate of 12.5% per annum from the utilisation date.

...CONTINUED

Celtic Renewables Grangemouth Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2024

13. Creditors: Amounts Falling Due After More Than One Year - continued

The loan from the holding company, Celtic Renewables Limited, is unsecured, interest free and has no fixed terms for repayment. Under the terms of the March 2023 Intercreditor Agreement with Scottish Enterprise, the loan from Celtic Renewables Limited cannot be repaid before the Scottish Enterprise loan.

The table below provides a summary of all loan movements.

	2024	2023
	£	£
Scottish Enterprise Loan (Capital funding loan)		
Balance at start of year	18,531,419	13,244,275
Amounts drawn down	2,000,000	4,000,000
Interest during the period rolled up	-	248,615
Interest charged to profit and loss account	1,476,647	1,038,529
Balance at end of year	22,008,066	18,531,419
Intercompany Loan (Participating interest)		
Balance at start of year	28,940,604	27,764,770
Amounts drawn down	2,763,810	1,175,834
Balance at end of year	31,704,414	28,940,604
Total loan balances	53,712,480	47,472,023
14. Share Capital		
	2024	2023
	£	£
Allotted, Called up and fully paid	50,000	50,000
Ordinary shares of £1 each — issued and paid	50,000	50,000
15. Capital Commitments		
	2024	2023
	£	£
At the end of the period	-	59,871

At the end of the period, the company had no capital commitments contracted.

16. Controlling Parties

The immediate and ultimate parent undertaking is Celtic Renewables Limited (incorporated in Scotland). Its registered office is Suite 2, Ground Floor Orchard Brae House, 30 Queensferry Road, Edinburgh, United Kingdom, EH4 2HS.

Copies of the group accounts may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.