

# **Tata Chemicals Europe Limited**

Annual report and financial statements

Registered number 02607081

For the year ended 31 March 2026

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## Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### Principal activities and business review

The Company's principal activities are the sale of sodium carbonate (soda ash) and the manufacture and sale of sodium bicarbonate.

Following the cessation of manufacturing operations at the Company's Lostock site in January 2025, the Company continued to supply customers with imported, rather than own-make soda ash, during the year. This imported soda ash was also used as a feedstock for the Company's remaining sodium bicarbonate business, based in Winnington.

The Company recognised a further exceptional charge of £5,585,000 (2025: £11,611,000) in the current year in respect of closure-related costs.

Turnover for the year decreased to £57,183,000 (2025: £99,842,000) as soda ash sales volumes fell by more than 50% and average selling prices were 25% lower. Demand for sodium bicarbonate was high throughout the year and average selling prices increased, but sales volumes were restricted by the loss of production at Lostock.

On 11 December 2025, the company structure of the group headed by TCE Group Limited ("TCEGL") was simplified. As part of this restructuring and refinancing, the Company:

- was acquired by TCEGL, then issued 57,102,804 £1 ordinary shares to TCEGL at par;
- repaid in full its outstanding £50,000,000 term loan.

EBITDA before exceptional items for the year was a loss of £9,838,000 (2025: loss of £12,834,000), calculated as:

	<b>2026</b>	2025
	<b>£000</b>	£000
Operating loss	<b>(18,241)</b>	(30,759)
Exceptional expenses	<b>5,585</b>	11,611
Depreciation	<b>2,791</b>	6,287
Amortisation	<b>27</b>	27
	<hr/> <b>(9,838)</b> <hr/>	<hr/> (12,834) <hr/>

The loss on ordinary activities before taxation was £29,382,000 (2025: £41,989,000).

### Future outlook

The Company and its subsidiary, Winnington CHP Limited (together the "Group") are operationally and financially highly inter-dependent. The Group has approval for a new, larger sodium bicarbonate plant at its Winnington site and this will eventually replace the Company's existing plant on the same site. The directors expect this project will enable the Group to consolidate and strengthen its performance in key UK, European and Asian export markets.

## Strategic report (continued)

### Principal risks and uncertainties

Following the cessation of manufacturing at its Lostock site, the main short-term risk to the Group is the inability to shrink the operational cost base of the remaining business to a sustainable level. While the consumption of energy has reduced significantly, the cost of natural gas, electricity and carbon continues to present a risk to the remaining business, exacerbated by the ongoing conflict in the Middle East. An extended period of very high energy prices in both the UK and wider world economies could test the resilience of markets in which the Company's customers operate.

### Financial risk management

The Company's operations expose it to a variety of financial risks that include interest rate risk, foreign currency risk, commodity price risk, liquidity risk, credit risk and capital risk. The Company has in place a risk management programme which seeks to limit the adverse effects on its financial performance where appropriate. Further information is given in Note 26 to the financial statements. Financial risk is managed at Group level.

### Key performance indicators ("KPIs")

The Company's main financial KPI is EBITDA, which for the year ended 31 March 2026 was a loss of £9,838,000 (2025: loss of £12,834,000). The Company also closely monitors fixed cost performance against budget and the previous year. The Company uses a number of other, non-financial KPIs using a 'balanced scorecard' approach. At the start of each financial year the Company sets targets relating to a number of strategic themes, including safety performance, reduction in carbon footprint and operational excellence. For each measure, the actual performance of the business is compared to the target on a regular basis and these reviews help to identify where further action is required.

### Section 172(1) Statement

The directors act in good faith to promote the success of the Company taking, inter alia, the following into account:

- 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.

These factors influenced the strategies followed and decisions made during the year. Details of the Company's key stakeholders and how we engage with them are set out below:

### Shareholders

The Company is a wholly-owned subsidiary of TCE Group Limited and ultimately Tata Chemicals Limited, a company incorporated in India and quoted on the Bombay Stock Exchange. Board and Audit Committee Meetings are held quarterly at the TCE Group Limited level and these meetings provide shareholders with the opportunity to review the actual and forecast financial performance, strategy, risk management, governance, sustainability and ethical standards of the business. These formal meetings are supplemented by regular discussions and updates on a wide range of topics.

## Strategic report (continued)

### Colleagues

The measures taken by the Company to establish and improve employee engagement and the directors' regard for the interests of employees are described in the Directors' Report.

### Customers

The Company aims to provide the highest possible level of customer service by delivering high quality products on time and in full and resolving any customer complaints both promptly and fairly. The Company undertakes an annual customer satisfaction survey and uses the feedback from this process to improve the services offered.

### Suppliers

The Company develops strategic relationships with key suppliers in order to build mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through regular contract reviews which take into account not only the supply of products and services but also compliance with the governance requirements of the UK Bribery Act and the Modern Slavery Act.

### Communities

The Company's approach to corporate social responsibility has four main drivers: the engagement of our colleagues, the engagement of local communities in order to maintain positive public relations, the support of STEM in local educational establishments and the support of wider Tata Group CSR initiatives. We focus our efforts in three main areas: volunteering, fundraising for our corporate charity, St Luke's Hospice, and initiatives with local schools.

### External regulators and other stakeholders

The measures taken by the Company to ensure adherence to our environmental responsibilities, energy usage and carbon emissions are described in the Directors' Report. We engage with the government and government regulators through a range of industry consultations and meetings, together with our membership of the Chemical Industries Association.

The Company operates a defined benefit pension scheme which is legally separated from the Company and responsibility for its governance lies with the independent board of trustees. The Company maintains regular contact with the trustees to ensure that interests of the fund members are safeguarded and the requirements of the Pensions Regulator are met.

By order of the board



**J L Abbotts**

Director

29 May 2026

Natrium House, Winnington Lane, Northwich, Cheshire, CW8 4GW

## Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 March 2026.

### Directors

The directors who served during the year, and thereafter were:

M J Ashcroft  
J L Abbotts  
D P W Davies  
A J Vause  
K L Lounds  
N S Tirumalai  
A O'Shea (appointed 16 April 2026)

### Employees and employee engagement, including the company's statement under S172(1)

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company has a continued commitment to communication through the use of newsletters, regular financial information and consultation meetings for workplace representatives. The Company will continue to enhance all communication channels to everyone in the Company.

The directors have taken a number of measures in order to establish and improve employee engagement. We value the individual contributions made towards the success of the company by all of our colleagues. We encourage our people to express opinions on how we run our organisation and how we can improve the employee experience and we acknowledge this feedback. We run an annual employee engagement survey and this gives us valuable insight into what our employees value and where we need to put in place action plans to ensure delivery of improvements. Other ways in which we engage with our employees include the use of Yammer, company-wide e-mails, communication meetings, notice boards, newsletters and employee forums, including those that involve our recognised trade unions. We are proud of our on-line training portals and our wellbeing offering, including an employee hotline which can be used to raise concerns anonymously.

### Political contributions

No donations were made to any political party during the year (2025: £nil).

### Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements systems to minimise adverse effects that might be caused by its activities. The Company operates in accordance with its publicly available environmental policy, which does not form part of this report. It adheres to the conditions detailed in all relevant environmental licences and permits and any other relevant legislation or regulations covering its activities or environmental impacts. Initiatives designed and implemented to manage and reduce the Company's environmental footprint include investigating further reductions in emissions to air and water, reducing the amount of solid waste that is sent to landfill and improving energy use and efficiency.

## Directors' report (continued)

### UK Energy use and carbon emissions

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the Company is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport was 43 tonnes (2025: 49,206).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by the Group for its own use, including for the purposes of transport was 5,327 tonnes (2025: 958).

The aggregate of the following was 28,625 MWh (2025: 71,292):

- the annual quantity of energy consumed from activities for which the Company is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport; and
- the annual quantity of energy consumed resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport.

The methodology used by the Company to calculate this information is the Greenhouse Gas Protocol.

The carbon emissions per tonne of Soda Ash produced were nil tonnes.

### Going concern

The directors have concluded that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements (Note 3.2).

### Dividends

The directors do not recommend the payment of a dividend (2025: £nil).

### Qualifying Third Party Indemnity Provisions

During the year, and at the date of signing this report, the Company maintained liability insurance and third party indemnification provisions for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company and any of its associated companies.

### Financial Instruments

The Company's risk management objectives and policies in relation to the use of financial instruments can be found in Note 26.

### Matters covered in the strategic report

Future developments and business relationships are covered in the strategic report.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

## Directors' report (continued)

### Statement of disclosure to the auditor

Each person who is a director at the date of approval of this report confirms 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 they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Auditor

The auditor, KPMG LLP, will be deemed to be reappointed in accordance with Section 487 of the Companies Act 2006.



**J L Abbotts**

Director

29 May 2026

Natrium House, Winnington Lane, Northwich, Cheshire, CW8 4GW

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
One St Peter's Square  
Manchester  
M2 3AE  
United Kingdom

## Independent auditor's report to the members of Tata Chemicals Europe Limited

### Opinion

We have audited the financial statements of Tata Chemicals Europe Limited ("the Company") for the year ended 31 March 2026 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cashflows and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- We consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified and concur with the directors' assessment that there is no material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

## **Independent auditor's report to the members of Tata Chemicals Europe Limited (continued)**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, reviewing internal audit documentation and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and TCE Group audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular, the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the non-complex nature and limited estimation uncertainty of revenue transactions. We did not identify any additional fraud risks.

We also performed procedures including;

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual pairings in relation to revenue, cash and borrowings.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias, including estimates related to impairment of PPE.
- Involving actuarial specialists to assess the appropriateness of the actuarial assumptions used within the valuation of the defined benefit pension obligation.

## **Independent auditor's report to the members of Tata Chemicals Europe Limited (continued)**

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations.*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, taxation legislation and UK ETS legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and Directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

## **Independent auditor's report to the members of Tata Chemicals Europe Limited (continued)**

Based solely on that work:

- We have not identified material misstatements in the strategic report and the directors' report;
- In our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**


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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **Independent auditor's report to the members of Tata Chemicals Europe Limited (continued)**

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Roger Nixon**  
(Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One St Peter's Square  
Manchester  
M2 3AE

29 May 2026

## Profit and loss account

For the years ended 31 March

	Note	2026 £000	2025 £000
Revenue	5	57,183	99,842
Cost of sales		(52,664)	(98,517)
<b>Gross profit</b>		<b>4,519</b>	<b>1,325</b>
Sales and distribution costs		(10,098)	(12,636)
Administrative expenses		(8,738)	(8,170)
Other operating income		1,661	333
Exceptional cessation of operation costs	6	(5,585)	(11,611)
<b>Operating loss</b>		<b>(18,241)</b>	<b>(30,759)</b>
Finance income	10	132	40
Finance costs	11	(11,273)	(11,270)
<b>Net finance costs</b>		<b>(11,141)</b>	<b>(11,230)</b>
<b>Loss before tax</b>	7	<b>(29,382)</b>	<b>(41,989)</b>
Taxation	13	2,388	3,106
<b>Loss for the year</b>		<b>(26,994)</b>	<b>(38,883)</b>

All of the results shown above relate to continuing operations.

The Notes on pages 19 to 51 are an integral part of these financial statements.

## Statement of comprehensive income

For the years ended 31 March

	Note	2026 £000	2025 £000
<b>Loss after tax</b>		<b>(26,994)</b>	<b>(38,883)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain on defined benefit pension schemes	23	664	17,979
<b>Items that may be reclassified subsequently to profit or loss</b>			
Cash flow hedge gains	12	-	103
<b>Other comprehensive income</b>		<b>664</b>	<b>18,082</b>
<b>Total comprehensive loss</b>		<b>(26,330)</b>	<b>(20,801)</b>

The Notes on pages 19 to 51 form an integral part of these financial statements.

## Balance sheet

At 31 March

	Note	2026 £000	2025 £000
<b>Assets</b>			
Intangible assets	14	54	81
Property, plant and equipment	15	14,359	13,462
		<hr/>	<hr/>
<b>Non-current assets</b>		<b>14,413</b>	<b>13,543</b>
		<hr/>	<hr/>
Cash and short term deposits	16	2,015	2,163
Inventories	18	14,404	18,191
Trade and other receivables	19	7,838	18,547
Prepayments		945	387
Other current financial assets	22	103	103
		<hr/>	<hr/>
<b>Current assets</b>		<b>25,305</b>	<b>39,391</b>
		<hr/>	<hr/>
<b>Total assets</b>		<b>39,718</b>	<b>52,934</b>
		<hr/>	<hr/>
<b>Liabilities</b>			
Interest-bearing loans and borrowings	22	(4,283)	(3,086)
Retirement benefit obligations	23	(51,782)	(49,472)
Other payables	20	(26,564)	(25,873)
Provisions	21	(1,348)	(529)
		<hr/>	<hr/>
<b>Non-current liabilities</b>		<b>(83,977)</b>	<b>(78,960)</b>
		<hr/>	<hr/>
Trade and other payables	20	(70,168)	(91,670)
Interest-bearing loans and borrowings	22	(55,578)	(80,484)
Provisions	21	(3,151)	(5,749)
		<hr/>	<hr/>
<b>Current liabilities</b>		<b>(128,897)</b>	<b>(177,903)</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>(212,874)</b>	<b>(256,863)</b>
		<hr/>	<hr/>
<b>Net liabilities</b>		<b>(173,156)</b>	<b>(203,929)</b>
		<hr/>	<hr/>
<b>Equity</b>			
Share capital	24	103,328	46,225
Retained losses	25	(276,587)	(250,257)
Cash flow hedge reserve	25	103	103
		<hr/>	<hr/>
<b>Total equity</b>		<b>(173,156)</b>	<b>(203,929)</b>
		<hr/>	<hr/>

## Balance sheet (continued)

The Notes on pages 19 to 51 are an integral part of these financial statements.

These financial statements were approved by the board of directors on 22 May 2026 and were signed on its behalf on 29 May 2026 by:



**J L Abbotts**  
Director

## Statement of changes in equity

For the years ended 31 March

	Share capital	Retained losses	Cash flow hedging reserve	Total deficit
	(Note 24)	(Note 25)	(Note 25)	
	£000	£000	£000	£000
Balance at 1 April 2025	46,225	(229,353)	-	(183,128)
Loss for the year	-	(38,883)	-	(38,883)
Other comprehensive income	-	17,979	103	18,082
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>(20,904)</b>	<b>103</b>	<b>(20,801)</b>
Balance at 31 March 2025	46,225	(250,257)	103	(203,929)
Loss for the year	-	(26,994)	-	(26,994)
Other comprehensive income	-	664	-	664
<b>Total comprehensive loss</b>	<b>-</b>	<b>(26,330)</b>	<b>-</b>	<b>(26,330)</b>
Issue of share capital	57,103	-	-	57,103
<b>Balance at 31 March 2026</b>	<b>103,328</b>	<b>(276,587)</b>	<b>103</b>	<b>(173,156)</b>

The Notes on pages 19 to 51 form an integral part of these financial statements.

## Statement of cash flows

For the years ended 31 March

	Note	2026 £000	2025 £000
<b>Loss for the year before tax</b>		<b>(29,382)</b>	<b>(41,989)</b>
Finance income	10	(132)	(40)
Finance costs	11	11,273	11,270
Depreciation of property, plant and equipment	15	2,791	6,287
Amortisation of intangible assets	14	27	27
Foreign exchange gains		-	(127)
Other non-cash items: UK ETS		-	(123)
Other non-cash items: Exceptional items	6	-	5,199
		<b>(15,423)</b>	<b>(19,496)</b>
Decrease in inventories		3,787	362
Decrease in trade and other receivables and prepayments		10,520	2,988
Decrease in trade and other payables		(22,952)	(9,190)
Decrease in provisions and employee benefits		(1,678)	(5,066)
		<b>(25,746)</b>	<b>(30,402)</b>
Purchase of UK ETS allowances and software	14	-	(297)
Tax received		1,646	-
<b>Net cash used in operating activities</b>		<b>(24,100)</b>	<b>(30,699)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(597)	(5,695)
Proceeds from sale of property, plant and equipment		2,457	-
<b>Net cash from/(used in) investing activities</b>		<b>1,860</b>	<b>(5,695)</b>
<b>Cash flows from financing activities</b>			
(Repayment)/proceeds from borrowings		(27,000)	41,000
Proceeds from share issue		57,103	-
Payment of lease liabilities (principle)		(1,978)	(1,178)
Payment of lease liabilities (interest)		(282)	-
Interest paid		(5,467)	(3,772)
<b>Net cash from financing activities</b>		<b>22,376</b>	<b>36,050</b>
Net increase/(decrease) in cash and cash equivalents		136	(344)
Effect of exchange rate fluctuations on cash held		(284)	127
Cash and cash equivalents at 1 April	16	2,163	2,380
<b>Cash and cash equivalents at 31 March</b>	16	<b>2,015</b>	<b>2,163</b>

The Notes on pages 19 to 51 form an integral part of these financial statements.

## Notes

(forming part of the financial statements)

### 1 General information

Tata Chemicals Europe Limited (the 'Company') is a private company incorporated in England, United Kingdom, under the Companies Act. The address of the Company's registered office is Natrium House, Winnington Lane, Northwich, Cheshire, CW8 4GW.

The financial statements are presented in pounds sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

### 2 Changes in significant accounting policies

A number of new standards are effective from 1 April 2025 and beyond.

#### **New and revised IFRS standards in issue but not yet effective.**

The following standards have been issued but are not yet effective:

- a) Presentation and Disclosure in Financial statements (IFRS 18)
- b) Subsidiaries Without Public Accountability: Disclosures (IFRS 19)
- c) Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7)

None are expected to have a material impact on the Company's financial statements in the period of initial applications, however IFRS 18 may change the presentation.

IFRS 18, which is effective for periods beginning on or after 1 January 2027, replaces IAS 1 and introduces the following key changes:

- d) Items in the profit and loss account will be classified into five categories, namely operating, investing, financing, discontinued operations and income tax categories.
- e) Management-defined performance measures will be disclosed in a single note.
- f) Guidance on aggregation and disaggregation will be enhanced.
- g) The starting point for the indirect method cash flow statement will need to be operating profit.

The Company is assessing the impact of IFRS 18 on the presentation of the statement of profit or loss, the statement of cash flows and related disclosures.

### 3 Significant accounting policies

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

#### **3.1 Basis of accounting**

The financial statements of the Company have been prepared and approved by the directors in line with UK-adopted International Accounting Standards (UK-adopted IFRS) as applied in accordance with the provisions of the Companies Act 2006. They have been prepared on a historical cost basis, except for the revaluation of financial instruments and Emissions Trading Allowances, as explained in the accounting policies below.

The Company is exempt from the requirement to prepare consolidated financial statements by virtue of section 401 of the Companies Act 2006, as it is a subsidiary undertaking whose results are included in the consolidated financial statements of Tata Chemicals Limited. Copies of those consolidated financial statements, together with the auditor's report on them, are available from Tata Chemicals Limited, Bombay House, Mumbai, India and have been delivered to the UK Registrar of Companies in accordance with section 401.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.2 Going concern

As at 31 March 2026, the Company has net liabilities of £173,156,000 (2025: £203,929,000). The Company has also recognised an exceptional charge of £5,585,000 (2025: £11,611,000) in the results for the year ended 31 March 2026 following the cessation of manufacturing operations at its Lostock site. Notwithstanding these matters, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The sub-group formed by the Company and its subsidiary (the "Group") is operationally and financially highly inter-dependent. In particular, the Group's financing and cash requirements are managed on a pooled basis with funds being allocated between companies to meet individual short and medium term requirements. Consequently, the assessment of Company's ability to continue as a going concern has been based on a review of the Group as a whole.

At 31 March 2026 the Group was funded by a £65,000,000 unsecured, uncommitted working capital facility provided by Bank of America, of which £53,000,000 was drawn down. In addition, the Group has been provided with a loan of £25,299,000 from Natrium Holdings Limited, a fellow group undertaking. This loan is repayable on demand.

The Group also has access to a trade receivables financing facility of £13,000,000 with Standard Chartered Bank of which £1,790,000 was utilised at 31 March 2026 and a reverse forfaiting facility of up to £40,000,000 with Credit Agricole Corporate and Investment Bank of which £4,251,000 was utilised at 31 March 2026. Access to new drawdowns under these facilities may be withdrawn at a month's notice.

The Group meets its day-to-day funding requirements by utilising directly drawn amounts from the facilities described above.

The directors of the Group have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements (the "Forecasts"). These forecasts take into consideration current market conditions, including the impact of the ongoing conflict in the Middle East, and assume that the uncommitted working capital facility will continue to be available throughout. The directors have also prepared a detailed assessment of a severe but plausible downside scenario.

The Forecasts indicate that in the reasonably possible downside case, the Group is unlikely to have sufficient funds, by utilising the bank facilities described above, to meet its liabilities as they fall due for that period and will require additional funds through support from its ultimate parent, Tata Chemicals Limited, to meet its liabilities for a period of 12 months from the approval of the financial statements, the going concern assessment period.

Tata Chemicals Limited has indicated its intention to continue to make available such funds as are needed by the Company and has confirmed that intercompany loans between its subsidiary companies will not be recalled if this would be detrimental to the Company or Group during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.3 Intangible assets

##### Other intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The estimated useful lives for current and comparative periods are as follows:

Software	2 to 8 years
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The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

#### 3.4 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services or for administrative purposes, are stated in the balance sheet at cost, less accumulated depreciation and impairment losses.

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of replacing component parts of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit and loss account as incurred.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Freehold buildings	25 to 50 years
Plant and equipment	2 to 25 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### 3.5 Investments

Investments in subsidiaries are shown at cost less provision for impairment.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.6 Financial instruments

##### 3.6.1 Financial assets

The Company's financial assets include cash, trade and other receivables and derivative financial assets.

##### Classification

The Company classifies its financial assets as either:

- those subsequently measured at fair value (either through OCI, or through profit or loss); or
- those measured at amortised cost.

The classification depends on the Company's methodology for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition. Trade receivables are stated net of amounts settled under a no recourse receivables financing facility with Standard Chartered Bank.

##### Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. For all other financial assets, transaction costs that are directly attributable to the acquisition of the financial assets are added to the fair value measured on initial recognition.

Subsequent measurement of the asset depends on the Company's methodology for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets:

##### a) Amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gains or losses are recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate ('EIR') method.

##### b) Fair value through other comprehensive income ('FVTOCI')

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are recorded in OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the EIR.

##### c) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Any gains or losses are recognised net in profit or loss in the period in which they arise. Interest income from these financial assets is included in finance income.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.6.1 Financial assets (continued)

##### Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the profit and loss account.

#### 3.6.2 Debt and equity instruments

Debt and equity instruments are classified as either equity or as financial liabilities in accordance with the substance of the contractual arrangement.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised when the proceeds are received, net of direct issue costs.

##### Financial liabilities

The Company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, are recognised in profit or loss.

The Company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

#### 3.6.3 Derivatives and hedging activities

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce its exposure to foreign exchange on net cash transactions and commodity price fluctuations (cash flow hedges). When the Company opts to undertake hedge accounting, the Company documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The Company documents its risk management objective, its strategy for undertaking various hedge transactions at the inception of each hedge relationship and how the entity will assess the effectiveness of the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.6.3 Derivatives and hedging activities (continued)

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit and loss account, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and accumulated in the hedging reserve.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

#### 3.6.4 Intra-group financial instruments

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

#### 3.6.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### 3.6.6 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, a discounted cash flow analysis or other valuation models.

#### 3.6.7 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the weighted average method. Net realisable value is based on estimated selling price, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### 3.8 Revenue

##### Sale of goods

Operating revenue is derived from the sale of sodium carbonate (soda ash), sodium bicarbonate and related products. In accordance with IFRS 15, revenue from the sale of goods is recognised only when the performance obligation is met, when control of goods are transferred and when collectability is reasonably assured and at an amount to which the Company expects to be entitled. Any amounts received where the performance obligation has not been met are held as deferred income. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectable amount, or the amount in respect of which recovery has ceased to be probable, is recognised as an expense, rather than as an adjustment to the amount of revenue originally recognised.

##### Interest income

Interest income is recognised when it is probable that the future economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recognised using the effective interest method, with the effective interest rate being the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to that asset's net carrying amount on initial recognition.

##### Other operating income

In accordance with IFRS 15, other operating income is recognised only when the performance obligation is met, when control of goods are transferred and when collectability is reasonably assured and at an amount to which the Company expects to be entitled. Any amounts received where the performance obligation has not been met are held as deferred income.

#### 3.9 Operating profit

Operating profit is stated before investment income, interest income, finance costs and income tax.

#### 3.10 Tax

The tax expense or credit represents the sum of the net amount arising in respect of current and deferred tax.

##### Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. Taxable profit differs from net profit as reported in profit or loss 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current tax relating to items recognised directly in equity is recognised in equity and not in the profit and loss account. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.10 Tax (continued)

##### Deferred tax

Deferred tax arises in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax assets are recognised for unutilised tax losses, unutilised tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

#### 3.11 Pensions

The Company operates a defined benefit scheme, which is funded with the assets of the scheme held separately from those of the Company, in a separate trustee administered fund.

The cost of providing benefits under the defined benefit plan is determined by a qualified actuary using the projected unit credit method.

Actuarial gains and losses for the defined benefit plan are recognised in full, in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less past service costs and less the fair value of plan assets out of which the obligation is to be settled. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value is based on market price information. The value of any defined benefit asset recognised is restricted to the sum of any past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The Company also operates a defined contribution scheme under which costs are charged to profit and loss on the basis of the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.12 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rate prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are subsequently retranslated at the spot rate prevailing at that date. All differences are taken to the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference. Translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively.

#### 3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

#### 3.14 Leases

##### Company as lessee

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (lease terms of 12 months or less) and leases of low value assets. For these exceptions, the Company recognises lease payments as operating expenses on a straight line basis over the terms of the leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the rate implicit in the lease or, where this is not readily determined, by the incremental borrowing rate.

## Notes (continued)

### 3 Significant accounting policies (continued)

#### 3.14 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of lease term or useful life of the underlying asset. IAS 36 is applied to determine whether a right-of-use asset is impaired and how to account for this.

#### Company as lessor

The Company recognises lease payments receivable under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

#### 3.15 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount, which is assessed on the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculations on detailed budgets and forecasts which are prepared separately for each of the cash generating units ("CGUs") to which the Company's individual assets are allocated. These budgets and forecasts generally cover a period of five years. For subsequent periods, a long-term growth rate is calculated and applied to projected future cash flows.

Impairment losses, including impairment of inventories, are recognised in the profit and loss in exceptional impairment expense.

The Company assesses at each reporting date whether there is an indication that a previously recognised impairment loss may no longer be valid. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

### 4 Significant accounting judgements, estimates and assumptions

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## Notes (continued)

### 4 Significant accounting judgements, estimates and assumptions (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Impairment of non-financial assets

Impairment arises when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal (FVLCO) and its value in use (VIU). The FVLCO calculation is based on the estimated price that would be received to sell an asset in an orderly transaction between market participants less incremental costs for disposing of the asset. The VIU calculation is based on a discounted cash flow model. The cash flows are derived from the Company's forecast for the next five years and do not include restructuring activities to which the Company is not yet committed to or significant future investments that will enhance the performance of the CGU being tested. Further details about the assumptions used are given in Note 15.

#### Pension benefits

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 29 April 2026, the Pensions Schemes Bill received royal assent (becoming the Pension Schemes Act 2026), passing into law legislation which, in relation to validity issues arising from the Virgin Media ruling, gives affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. Given the legislative solution provided by the Pension Schemes Act 2026, the directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the DBO has not been adjusted and continues to reflect the benefits currently being administered.

Volatility in the UK gilt and bond markets, the value of Sterling and RPI and CPI inflation have impacted the investment asset allocation, hedging strategy and funding levels.

Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details about the assumptions used are given in Note 23.

## Notes (continued)

### 4 Significant accounting judgements, estimates and assumptions (continued)

#### Taxes

Deferred tax assets are recognised for unutilised tax losses, unutilised tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### 5 Revenue

An analysis of revenue by geographical market is set out below:

	<b>2026</b>	2025
	<b>£000</b>	£000
United Kingdom	<b>37,555</b>	68,412
Europe	<b>11,785</b>	23,143
Rest of World	<b>7,843</b>	8,287
	<u><b>57,183</b></u>	<u>99,842</u>

The Company has just one segment under IFRS 8, and therefore no further detailed segmental information has been presented.

### 6 Exceptional items

		<b>2026</b>	2025
		<b>£000</b>	£000
Cessation of operations	21	<b>(5,585)</b>	(11,611)
		<u><b>(5,585)</b></u>	<u>(11,611)</u>

The Company recognised an additional exceptional charge during the year relating to the closure of the Lostock site in January 2025 and, in particular, the settlement of contractual obligations with counterparties impacted by the cessation of operations. Management has taken into account legal advice and the current status of negotiations and has recognised a provision which represents its best estimate of the expected liability. Given the nature of the matter and its non-recurring character, the charge has been presented as an exceptional item within the profit and loss account. The ultimate outcome remains subject to ongoing discussions and may differ from the amount provided.

## Notes (continued)

### 7 Loss before tax

Loss before tax is stated after (charging)/crediting:

	Note	2026 £000	2025 £000
Staff costs	9	(14,222)	(17,796)
Amortisation of intangibles	14	(27)	(27)
Depreciation of property, plant and equipment	15	(2,791)	(6,287)
Cost of stock recognised as an expense		(41,187)	(64,268)
Net foreign exchange gain		(7)	127
Lease income		1,340	1,340
		<u>          </u>	<u>          </u>

### 8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2026 £000	2025 £000
Fees payable to the Company's auditor for the audit of the Company's financial statements	(244)	(254)
	<u>          </u>	<u>          </u>

No remuneration has been paid in relation to non-audit services (2025: £nil).

### 9 Staff numbers and costs

The average number of employees (including executive directors) was:

	2026 Number	2025 Number
Production and operations	126	184
Distribution and sales	24	23
Administration	59	68
	<u>          </u>	<u>          </u>
	209	275
	<u>          </u>	<u>          </u>

The aggregate remuneration comprised:

	2026 £000	2025 £000
Wages and salaries	(14,730)	(16,990)
Social security costs	(1,690)	(1,655)
Other pension costs	(1,402)	(1,289)
Less: capitalised as additions to fixed assets	3,600	1,143
Less: recharged to exceptional cessation costs	-	995
	<u>          </u>	<u>          </u>
	(14,222)	(17,796)
	<u>          </u>	<u>          </u>

## Notes (continued)

### 9 Staff numbers and costs (continued)

Staff employed and remunerated by the Company are recharged to Winnington CHP Limited ("WCHPL"), the Company's subsidiary for their services (2025: same). The amount recharged in respect of staff costs during the year was £3,647,000 (2025: £1,922,000).

Directors' remunerations comprised:

	<b>2026</b>	2025
	<b>£000</b>	£000
Directors' emoluments	<b>(1,216)</b>	(1,398)
Amounts receivable under long-term incentive schemes	<b>(248)</b>	(240)
Company contributions to money purchase pension schemes	<b>(72)</b>	(68)
Termination benefits	-	-
	<b>(1,536)</b>	(1,706)

	<b>Number</b>	Number
The number of directors who are members of a defined benefit pension scheme	<b>3</b>	3

	<b>2026</b>	2025
	<b>£000</b>	£000
Remuneration of the highest paid director		
Aggregate emoluments	<b>(437)</b>	(476)
Amounts receivable under long-term incentive schemes	<b>(81)</b>	(78)
Company contributions to money purchase pension schemes	<b>(15)</b>	(14)
	<b>(533)</b>	(568)
Accrued pension at the end of the year	<b>56</b>	53

Directors receive all their remuneration directly from the Company and are recharged to fellow group undertakings for services provided (2025: same). The amount recharged in respect of directors' services during the year was £640,000 (2025: 588,000).

### 10 Finance income

	<b>Note</b>	<b>2026</b>	2025
		<b>£000</b>	£000
Bank interest receivable		<b>47</b>	40
Interest receivable from fellow group undertakings	<b>29</b>	<b>85</b>	-
		<b>132</b>	40

## Notes (continued)

### 11 Finance costs

	Note	2026 £000	2025 £000
Interest on borrowings		(4,624)	(3,521)
Interest payable to fellow group undertakings	29	(2,934)	(4,103)
		<hr/>	<hr/>
Total interest expense		(7,558)	(7,624)
Interest income on pension scheme assets	23	7,258	6,885
Interest cost on pension scheme defined benefit obligation	23	(10,131)	(10,154)
Other finance costs		(560)	(291)
Finance lease interest		(282)	(86)
		<hr/>	<hr/>
Total finance costs		(11,273)	(11,270)
		<hr/> <hr/>	<hr/> <hr/>

### 12 Components of other comprehensive income

	2026 £000	2025 £000
<b>Cash flow hedges:</b>		
Gain/(loss) arising on currency forward contracts	207	(22)
Reclassification adjustments for (gains)/losses included in profit or loss	(207)	125
	<hr/>	<hr/>
	-	103
	<hr/> <hr/>	<hr/> <hr/>

### 13 Tax

	2026 £000	2025 £000
<b><u>Amounts recognised in profit or loss</u></b>		
Current tax: Group relief charge	2,388	3,106
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 13 Tax (continued)

The credit for the year can be reconciled to the loss before tax as follows:

	<b>2026</b>	2025
	<b>£000</b>	£000
Loss before tax	<b>(29,382)</b>	(41,989)
Tax on loss on ordinary activities at the average UK corporation tax rate for the year 25% (2025: 25%)	<b>7,346</b>	10,497
Tax effects of:		
Income not taxable for tax purposes	<b>226</b>	226
Expenses not deductible for tax purposes	<b>(1,396)</b>	(4,052)
Group relief sold	<b>2,109</b>	3,106
Group relief surrendered in respect of current year	<b>(4,473)</b>	-
Movement on previously unrecognised deferred tax asset	<b>5,514</b>	(6,671)
Movement in prior year tax estimates	<b>(6,938)</b>	-
	<hr/>	<hr/>
Total tax credit for the year	<b>2,388</b>	3,106
	<hr/> <hr/>	<hr/> <hr/>

A potential deferred tax asset of £48,547,000 (2025: £54,061,000) for tax losses, decelerated capital allowances, lease income not taxable and non-cash elements of pension and other provisions has not been recognised because it is not considered probable that the asset will crystallise in the foreseeable future.

### 14 Intangible assets

	<b>Software</b>
	<b>£000</b>
<b>Deemed cost</b>	
At 1 April 2025	2,211
	<hr/>
<b>At 31 March 2026</b>	<b>2,211</b>
	<hr/>
<b>Amortisation</b>	
At 1 April 2025	(2,130)
Charge for the year	(27)
	<hr/>
<b>At 31 March 2026</b>	<b>(2,157)</b>
	<hr/>
<b>Net book value</b>	
<b>At 31 March 2026</b>	<b>54</b>
	<hr/> <hr/>
At 31 March 2025	81
	<hr/> <hr/>

## Notes (continued)

### 15 Property, plant and equipment

	Freehold land and buildings £000	Plant and equipment £000	Assets under construction £000	Total £000
<b>Cost</b>				
At 1 April 2025	27,810	154,373	4,195	186,378
Additions	4,181	1,219	220	5,620
Disposals	(817)	(845)	(2,807)	(4,469)
Reclassification	84	864	(948)	-
<b>At 31 March 2026</b>	<b>31,258</b>	<b>155,611</b>	<b>660</b>	<b>187,529</b>
<b>Depreciation (including impairment losses)</b>				
At 1 April 2025	(17,107)	(154,084)	(1,725)	(172,916)
Charge for the year	(1,869)	(558)	(364)	(2,791)
Eliminated on disposal	1,093	1,094	350	2,537
Reclassification	(59)	(1,265)	1,324	-
<b>At 31 March 2026</b>	<b>(17,942)</b>	<b>(154,813)</b>	<b>(415)</b>	<b>(173,170)</b>
<b>Net book value</b>				
<b>At 31 March 2026</b>	<b>13,316</b>	<b>798</b>	<b>245</b>	<b>14,359</b>
At 31 March 2025	10,703	289	2,470	13,462

Property, plant and equipment includes right-of-use assets with carrying amounts as follows:

	Land and buildings £000	Plant and equipment £000	Total £000
<b>Right-of-use</b>			
At 1 April 2025	2,774	35	2,809
Additions to right-of-use assets	4,180	843	5,023
Depreciation charge for the year	(1,866)	(534)	(2,400)
Reassessment/transfer in the year	276	249	525
<b>At 31 March 2026</b>	<b>5,364</b>	<b>593</b>	<b>5,957</b>

The depreciation on the asset under construction reflects capital expenditure incurred for the impaired CGU.

Freehold land amounting to £7,999,000 (2025: £7,999,000) has not been depreciated.

## Notes (continued)

### 15 Property, plant and equipment (continued)

The Company tests property, plant and equipment annually for impairment, or more frequently if there are indications that assets might be impaired. For impairment testing purposes, the CGU comprises the Company and its subsidiary due to the close inter-dependencies between the group's operations. The recoverable amount of the CGU was initially determined from VIU calculations. The key assumptions for the VIU calculations were those regarding the discount rates, EBITDA and capital expenditure.

The discount rate used was based on the weighted average cost of capital for forecast purposes and is a post-tax discount rate. The rate used to discount the forecast cash flows was 6.0% (2025: 6.0%). This equates to a pre-tax discount rate of 7.0%. EBITDA was projected taking into account actual recent performance and estimated performance for the next five years. Residual growth was set at 2.0%. Annual capital expenditure is based on experience of management and planned sustenance capital expenditure.

The discount rate used was based on the weighted average cost of capital for forecast purposes and is a post-tax discount rate. The rate used to discount the forecast cash flows was 6.5% (2025: 6.0%). This equates to a pre-tax discount rate of 7.5%. EBITDA was projected taking into account actual recent performance and estimated performance for the next five years. Residual growth was set at 2.0%. Annual capital expenditure is based on experience of management and planned sustenance capital expenditure.

The VIU calculation for the CGU indicated that the assets should be fully impaired.

At 31 March 2026 the Company had commitments of £80,000 (2025: £182,000) relating to the purchase of property, plant and equipment.

### 16 Cash and short-term deposits

	2026	2025
	£000	£000
Cash at bank and in hand	<u>2,015</u>	<u>2,163</u>

### 17 Investments

As at 31 March 2026, the Company only has one investment and that is a £1 shareholding in Winnington CHP Limited (2025: same). Winnington CHP Limited is wholly owned by the Company and is incorporated in the United Kingdom. Its principal activity is the generation and sale of steam and carbon dioxide and the supply of externally purchased electricity. Copies of the Company's financial statements may be obtained from the registered office, Natrium House, Winnington Lane, Northwich, Cheshire CW8 4GW.

## Notes (continued)

### 18 Inventories

	<b>2026</b>	2025
	<b>£000</b>	£000
Raw materials and consumables	<b>1,018</b>	1,196
Work in progress	<b>58</b>	34
Finished goods and goods for resale	<b>13,328</b>	16,961
	<u>14,404</u>	<u>18,191</u>

The carrying value of engineering stores, included within raw materials and consumables and representing spare parts relating to impaired property, plant and equipment (Note 15), has also been impaired.

### 19 Trade and other receivables

	2026	2025
	£000	£000
Amounts receivable for the sale of goods	<b>6,098</b>	10,621
Allowance for doubtful debts	<b>(122)</b>	-
Amounts owed by group undertakings and related parties	<b>809</b>	5,675
Tax and social security	-	801
Other receivables	<b>1,053</b>	1,450
	<u>7,838</u>	<u>18,547</u>

Trade receivables are stated net of £1,790,000 (2025: £2,715,000) which had been received by the Company under a no recourse receivables financing facility with Standard Chartered Bank.

Trade receivables are non-interest bearing and are generally on 30-90 day terms. All customers are credit checked before acceptance.

The Company applies the expected credit loss ("ECL") model in accordance with IFRS 9 Financial Instruments to financial assets measured at amortised cost. At 31 March 2026, the directors recognised an expected credit loss of £122,000 in respect of third party trade receivables (2025: £nil). The receivable has been classified as partially credit-impaired, reflecting an increase in credit risk since initial recognition.

The ECL has been determined based on:

- the current and forecast financial position of the debtor;
- the absence of contractual repayment schedules; and
- management's assessment of recoverability.

The impairment charge has been recognised in the profit and loss account within operating expenses.

## Notes (continued)

### 19 Trade and other receivables (continued)

The Company writes off a trade receivable when there is information indicating that there is no realistic prospect of recovery from the debtor.

The ageing analysis of trade receivables was as follows:

	Total £000	Current £000	<30 days £000	31-60 days £000	61-90 days £000	91-180 days £000	>180 days £000
31 March 2026	6,098	5,169	649	104	(5)	-	181
31 March 2025	10,621	9,103	1,230	183	84	(12)	33

The ageing analysis of impaired trade receivables was as follows:

	Total £000	Current £000	<30 days £000	31-60 days £000	61-90 days £000	91-180 days £000	>180 days £000
31 March 2026	(122)	-	-	-	-	-	(122)
31 March 2025	-	-	-	-	-	-	-

#### Movement in expected credit loss provision

	£000
Balance at 1 April 2025	-
Increase in allowance for doubtful debts	(122)
<b>Balance at 31 March 2026</b>	<b>(122)</b>

### 20 Trade and other payables

	Note	2026 £000	2025 £000
Trade payables		(3,608)	(7,162)
Tax and social security		(562)	(592)
Other creditors		(26,809)	(28,709)
Amounts owed to group undertakings and related parties	29	(61,254)	(73,612)
Accruals		(4,499)	(7,468)
		(96,732)	(117,543)
Current		(70,168)	(91,670)
Non-current		(26,564)	(25,873)

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Trade payables are non-interest bearing and are typically settled 63 days following the end of the month of supply. The terms and conditions relating to related parties are described in Note 29. The directors consider that the carrying value of trade and other payables is approximately equal to the fair value.

## Notes (continued)

### 21 Provisions

	Legal costs	Cessation of operations	Carbon emissions	Total
	£000	£000	£000	£000
At 1 April 2025				
Current	(550)	(5,199)	-	(5,749)
Non-current	-	-	(529)	(529)
	(550)	(5,199)	(529)	(6,278)
Credit/(charge) to profit and loss	(75)	(5,585)	400	(5,260)
Utilised during the year	-	7,039	-	7,039
<b>At 31 March 2026</b>	<b>(625)</b>	<b>(3,745)</b>	<b>(129)</b>	<b>(4,499)</b>
Current	<b>(625)</b>	<b>(2,397)</b>	<b>(129)</b>	<b>(3,151)</b>
Non-current	-	<b>(1,348)</b>	-	<b>(1,348)</b>

The Company is subject to legal proceedings and claims which arise in the course of business and may be material in value. Provisions have been recognised in the balance sheet at the gross amounts of the estimated liabilities, before the deduction of any amounts covered by insurance.

In January 2025, the Company ceased manufacturing operations at its Lostock site as a result of a fundamental decline in the long-term profitability of its soda ash business and the provision at 31 March 2025 covered the expected employee-related, decommissioning and other closure related costs. During the year the Company recognised a further charge in respect of closure-related costs (Note 6).

At 31 March 2026, the carbon emissions provision recognises the obligation to surrender allowances to the Environment Agency under UK ETS in respect of the 2025 calendar year. The surrender in respect of the 2025 calendar year took place in April 2026. Following the cessation of manufacturing operations at the Company's Lostock site, the Company voluntarily surrendered its greenhouse gas emissions permit and no longer participates in the UK ETS.

### 22 Other current and non-current financial assets and liabilities

#### a) Other financial assets

	2026	2025
	£000	£000
<b>Financial instruments at FVTOCI</b>		
Cash flow hedges:		
Foreign exchange forward contract derivative assets - External	<b>103</b>	103
<b>Total other current financial assets</b>	<b>103</b>	103

## Notes (continued)

### 22 Other current and non-current financial assets and liabilities (continued)

#### b) Other financial liabilities

	Interest rate %	Maturity	2026 £000	2025 £000
<b>Falling due within one year</b>				
Lease liabilities	Various	0 – 12 years	(2,578)	(484)
Unsecured working capital facility	SONIA+CAS+1.15	Uncommitted	(53,000)	(80,000)
			<u>(55,578)</u>	<u>(80,484)</u>
<b>Total current interest-bearing loans and borrowings</b>				
<b>Falling due after one year</b>				
Lease liabilities	Various	0 – 12 years	(4,283)	(3,086)
			<u>(4,283)</u>	<u>(3,086)</u>
<b>Total non-current interest-bearing loans and borrowings</b>				

Interest payable is normally settled monthly throughout the financial year. The Company intends to hold these liabilities to maturity.

The Company has applied IFRS16. Contracts entered by the Company on certain property, motor vehicles and items of machinery contain leases and the Company has recognised these as lease liabilities, with a corresponding right of use asset. There are no restrictions placed upon the Company by entering these leases.

#### c) Hedging activities and derivatives

##### Cash flow hedges

At 31 March 2026, the Company held foreign currency forward contracts, designated as hedges of expected USD net cash receipts for which the Company had highly probable forecast transactions. The terms of the foreign currency forward contracts matched the terms of the hedged items. The hedged USD net cash inflows were expected to occur within one year. There were no highly probable transactions for which hedge accounting had been claimed that had not occurred and no significant element of hedge ineffectiveness requiring recognition in the profit and loss account. The carrying value as at 31 March 2026 was an asset of £103,000 (2025: £103,000) and a liability of £nil (2025: £nil).

#### d) Fair value measurement

The fair value of cash flow hedge derivatives is calculated using the discounted cash flow model. The cash flow hedges are level 2 financial instruments, based on the valuation technique used to determine fair value. Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.

#### e) Sensitivity analysis

##### Foreign exchange forward contracts

No sensitivity analysis is prepared as the Company does not expect a 10% increase or decrease in exchange rates to have a material impact on the financial statements.

## Notes (continued)

### 23 Retirement benefit schemes

#### a) Defined contribution scheme

The Company operates a defined contribution scheme for all qualifying employees, under which costs are charged to the profit and loss account on the basis of contributions payable. The assets of the scheme are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The contributions for the year amounted to:

	2026	2025
	£000	£000
Employer contributions	1,444	1,250

As at 31 March 2026, contributions of £79,000 (2025: £109,000) were due in respect of the current reporting period but not yet paid over to the schemes.

#### b) Defined benefit scheme

The Company operates a defined benefit scheme for qualifying employees, the Brunner Mond Pension Fund (BMPF). The scheme closed to new members on 30 June 2003 and closed to future accrual of benefits from 31 May 2016.

The defined benefit scheme provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided is defined by the Trust Deed and Rules and depends on members' length of service and their salary. Pensions in payment are generally updated in line with the retail and consumer price indices, subject to caps defined by the rules. Assets are held in trusts and governed by local regulations, as is the composition of the trustee board and nature of its relationship with the Company.

The defined benefit scheme is administered by a fund that is legally separated from the Company. Responsibility for governance of the scheme lies with the board of trustees. The board of trustees must be composed of representatives of the Company and scheme participants in accordance with the scheme rules and every three years the board of trustees reviews the level of funding for the scheme as required by legislation. Such a review includes the asset-liability matching strategy and investment risk management policy and is used to determine the schedule of contributions payable by and agreed with the Company.

The Company's subsidiary, Winnington CHP Limited ("WCHPL"), is also a statutory employer and participating employer of the scheme. As a consequence, WCHPL is jointly and severally liable with the Company for the scheme's Section 75 Debt.

The UK pensions market is regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website, [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk).

## Notes (continued)

### 23 Retirement benefit schemes (continued)

#### Risks

Through its defined benefit pension scheme the Company is exposed to a number of risks. The most significant risks are as follows:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

These risks are mitigated by:

- Taking advice from independent qualified actuaries and other professional advisers
- Monitoring of changes in the funding position, with reparatory action where appropriate
- Investment policies which include a high degree of hedging against changes in liabilities

The amounts recognised in profit or loss are as follows:

	2026 £000	2025 £000
Net interest costs:		
Interest cost on defined benefit obligation	(10,131)	(10,154)
Interest income on plan assets	7,258	6,885
Administrative expenses	(401)	(426)
	<u>(3,274)</u>	<u>(3,695)</u>

The amounts recognised in other comprehensive income are as follows:

	2026 £000	2025 £000
Actuarial gain/(loss) from:		
Changes in demographic assumptions	(1,112)	3,009
Changes in financial assumptions	3,660	18,463
Experience adjustments	(849)	8,802
Return on plan assets (excluding net interest income)	(1,035)	(12,295)
	<u>664</u>	<u>17,979</u>

## Notes (continued)

### 23 Retirement benefit schemes (continued)

Movements in the fair value of plan assets are as follows:

	2026 £000	2025 £000
At 1 April	131,495	144,113
Interest income	7,258	6,885
Employer contributions	300	5,492
Benefits paid	(12,606)	(12,274)
Administrative expenses paid from plan assets	(401)	(426)
Remeasurement gains:		
Return on plan assets (excluding interest income)	(1,035)	(12,295)
	<hr/>	<hr/>
At 31 March	<b>125,011</b>	<b>131,495</b>
	<hr/> <hr/>	<hr/> <hr/>

Movements in the defined benefit obligation are as follows:

	2026 £000	2025 £000
At 1 April	(180,967)	(213,361)
Interest cost	(10,131)	(10,154)
Benefits paid	12,606	12,274
Remeasurement gains/(losses) arising from:		
Changes in demographic assumptions	(1,112)	3,009
Changes in financial assumptions	3,660	18,463
Experience adjustments	(849)	8,802
	<hr/>	<hr/>
At 31 March	<b>(176,793)</b>	<b>(180,967)</b>
	<hr/> <hr/>	<hr/> <hr/>

The details of plan assets and liabilities are as follows:

	2026 £000	2025 £000
Cash and cash equivalents	1,047	1,778
Equity instruments	118	9,790
Debt instruments (excluding LDI)	89,630	94,313
LDI instruments*	34,216	25,614
	<hr/>	<hr/>
Total fair value of assets	<b>125,011</b>	<b>131,495</b>
Defined benefit obligation	<b>(176,793)</b>	<b>(180,967)</b>
	<hr/>	<hr/>
Net pension liability recognised in the balance sheet	<b>(51,782)</b>	<b>(49,472)</b>
	<hr/> <hr/>	<hr/> <hr/>

\*Liability Driven Investment - assets chosen to match changes in the value of the scheme's liabilities.

Scheme assets either have a quoted market price in an active market or are stale priced funds.

## Notes (continued)

### 23 Retirement benefit schemes (continued)

	<b>2026</b>	2025
	<b>£000</b>	£000
Actual return on plan assets	<b>6,223</b>	(5,410)

The trustees ensure that the investment position is managed within a framework that considers the scheme's liability profile, funding position, expected return of the various asset classes and the need for diversification. Within this framework, the trustees' objective is to ensure that sufficiently liquid assets are available to meet benefit payments and the scheme's assets achieve a return that is consistent with the assumptions made by the trustees in determining the funding of the scheme. The trustees and Company regularly monitor the performance of the scheme's investment strategies.

On a triennial basis the funding position of the scheme is reviewed and a schedule of contributions is agreed.

The triennial actuarial valuation of the Company's defined benefit pension scheme, as at 31 December 2023, was completed in March 2025 and was updated for the purposes of these financial statements to 31 March 2026 by a qualified independent actuary. As part of the deficit recovery plan, the Company has granted the pension fund trustees security over approximately 147 acres of land at the Company's Winnington site, which has been largely disused since the cessation of soda ash and calcium chloride production in January 2014. The intention is to redevelop this land and use the proceeds to reduce the deficit in the pension fund over an expected 10 year period.

Funding requirements and deficit contributions are formally set out in the Statement of Funding Principles, Schedule of Contributions and Recovery Plan agreed between the trustees and the Company. The Company does not expect to pay any deficit contributions in the year to 31 March 2027, which is in line with the agreed Schedule of Contributions.

The weighted average duration of the defined benefit obligation of the scheme at 31 March 2026 and expected benefit payments in future years are as follows:

Weighted average duration (in years)	<b>10</b>
	<b>2026</b>
Expected total benefit payments:	<b>£000</b>
Year 1	<b>12,935</b>
Year 2	<b>13,239</b>
Year 3	<b>13,568</b>
Year 4	<b>13,905</b>
Year 5	<b>14,251</b>
Next 5 years	<b>76,747</b>

The actuarial report used for these financial statements was prepared as at 31 March 2026 by a qualified independent actuary. The significant weighted-average assumptions to determine defined benefit obligation were as follows:

## Notes (continued)

### 23 Retirement benefit schemes (continued)

	2026	2025
Discount rate	6.10%	5.80%
Rate of price inflation (RPI)	3.25%	3.05%
Rate of price inflation (CPI)	3.00%	2.75%
Rate of pension increases (RPI 5%)	3.05%	2.95%
Assumed life expectancy on retirement at age 65:		
	2026	2025
	Years	Years
Member retiring today (age 65)		
Male	21.6	21.3
Female	23.6	23.5
Member retiring in 25 years (age 40)		
Male	23.0	22.7
Female	25.6	25.5

### Sensitivity analysis

The sensitivity analysis below assumes changes in individual assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

#### Present value of defined benefit obligations

	2026	2025
	£000	£000
Discount rate -50 basis points	(185,755)	(190,587)
Discount rate +50 basis points	(168,560)	(172,156)
Price inflation rate -50 basis points	(171,487)	(175,427)
Price inflation rate +50 basis points	(181,451)	(186,290)
Post-retirement life expectancy -1 year	(182,297)	(186,649)
	<hr/>	<hr/>

### 24 Called-up share capital

The Company has one class of ordinary share with no right to a fixed income.

	2026	2025
	£000	£000
Authorised, issued and fully paid		
103,328,008 (2025: 46,225,205) shares of £1 each	103,328	46,225
	<hr/>	<hr/>

On 19 December 2025, the Company issued 57,102,803 ordinary shares of £1, at par.

## Notes (continued)

### 25 Reserves

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss only when the hedged transaction impacts the profit or loss.

Retained losses represent cumulative profits or losses net of dividends paid and other adjustments.

### 26 Financial risk management and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The Company has trade and other receivables and cash that derive directly from its operations.

The Company is exposed to interest rate risk, foreign currency risk, commodity price risk, liquidity risk, credit risk and capital risk.

The Company's senior management oversees the management of these risks, supported by an audit committee framework which extends up to the level of the ultimate parent company and advises on financial risks and the appropriate financial risk governance framework for the Company. The audit committee provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and Company risk appetite. The Company's overall strategy remains unchanged from 2025.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market rates relates primarily to the group's long-term debt obligations with floating interest rates. The short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

During the year, the Company did not enter into any interest rate hedges, however this type of risk mitigation could be considered in the future if required. No sensitivity analysis is prepared as the Company does not expect changes in the sterling SONIA rate to have a material impact on the financial statements.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Euro		United States Dollar	
	2026	2025	2026	2025
	£000	£000	£000	£000
Assets	1,317	3,248	2,686	862
Liabilities	(113)	(89)	(14,774)	(8,901)

## Notes (continued)

### 26 Financial risk management and policies (continued)

Where appropriate, the Company manages its foreign currency risk by hedging forecast cash flows using forward contracts as described in Note 22(c).

#### Commodity price risk

Commodity price risk is the risk that the purchase price of commodities will fluctuate. During the year, the Company's exposure related largely to the purchase of coke, but following the cessation of manufacturing operations at its Lostock site, this risk is no longer relevant.

#### Liquidity risk

The Company is a member of a bank group and the group's objective is to maintain a balance between continuity of funding and flexibility through the use of a working capital facility and receivables financing where appropriate.

#### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The trade receivables of the Company are typically unsecured and derived from sales made to a large number of independent customers. Credit reference agencies are used to gain ratings and provide credit recommendations. If there is no credit rating of the customers available, the Company reviews the creditworthiness of its customers based on their financial position, past experience and other factors. The credit period provided by the Company to its customers generally ranges from 0-90 days.

The credit risk related to trade receivables is mitigated by taking out credit insurance and requiring counterparty bank guarantees or letters of credit when considered necessary; by setting appropriate payment terms; and by setting and monitoring internal limits on exposure to individual customers. Since no single customer accounts for more than 10% of the revenue of the Company, there is no substantial concentration of credit risk.

#### Capital risk

The capital structure of the Company consists of net debt (borrowings less bank balances) and equity (issued share capital, reserves and retained earnings). Borrowings comprise mainly unsecured bank facilities and intercompany loans. The Company is not subject to any externally imposed capital requirements.

The Company manages its borrowings in order to ensure that it is able to continue operating as a going concern, whilst minimising the overall cost and risk to the wider bank group.

### 27 Contingent liabilities

The Company is subject to legal proceedings, claims and commercial disputes which arise in the normal course of business. In the opinion of management, after taking appropriate legal advice, the amounts are presently not determinable, and any liability is not expected to have a material effect and has not been included within the financial statements at this stage.

## Notes (continued)

### 28 Leases – Company as lessee

Right-of-use assets are presented as part of property, plant and equipment (Note 15).

#### Amounts recognised in the profit or loss

	2026	2025
	£000	£000
<b>Leases under IFRS 16:</b>		
- Interest expense on lease liabilities	(282)	(86)
	<u>          </u>	<u>          </u>

#### Amounts recognised in the statement of cashflow

	2026	2025
	£000	£000
<b>Leases under IFRS 16:</b>		
- Total cash outflows for leases	(1,978)	(1,178)
	<u>          </u>	<u>          </u>

### Leases – Company as lessor

#### Operating leases

During the year £1,340,000 (2025: £1,340,000) was recognised as rental income by the Company.

The following table sets out a maturity analysis of lease consideration to be recognised, showing the undiscounted lease consideration to be recognised after the reporting date:

	2026	2025
	£000	£000
Less than one year	1,340	1,340
Between one and two years	1,340	1,340
Between two and three years	1,340	1,340
Between three and four years	1,340	1,340
Between four and five years	1,340	1,340
More than five years	36,506	37,846
	<u>          </u>	<u>          </u>
	<b>43,206</b>	<b>44,546</b>
	<u>          </u>	<u>          </u>

## Notes (continued)

### 29 Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year and outstanding balances at the reporting date:

		Sales to related parties £000	Purchases from related parties £000	Amounts owed by related parties £000	Amounts owed to related parties £000
<b>Trading transactions</b>					
Companies which were part of the wider Tata Chemicals Limited group:					
Winnington CHP Limited	2026	-	(12,780)	-	-
	2025	-	(34,123)	-	-
Tata Chemicals North America Inc	2026	-	(16,470)	-	(14,904)
	2025	-	(11,913)	-	(8,223)
British Salt Limited	2026	1,049	-	-	-
	2025	1,562	-	-	-

		Interest charged to related parties £000	Interest charged by related parties £000	Amounts owed by related parties £000	Amounts owed to related parties £000
<b>Loans from related parties</b>					
Companies which were part of the wider Tata Chemicals Limited group:					
Natrium Holdings Limited	2026	-	(1,519)	-	(25,299)
	2025	-	(2,010)	-	(30,549)
Winnington CHP Limited	2026	-	(1,085)	-	(20,664)
	2025	-	(2,093)	-	(32,717)
Brunner Mond Group Limited	2026	85	-	-	-
	2025	-	-	-	-
Tata Chemicals North America Inc	2026	-	(330)	-	-
	2025	-	-	-	-

## Notes (continued)

### 29 Related party transactions (continued)

Expenses and recharges		Recharges to related parties	Recharges from related parties	Amounts owed by related parties	Amounts owed to related parties
		£000	£000	£000	£000
Companies which were part of the wider Tata Chemicals Limited group:					
Winnington CHP Limited	<b>2026</b>	<b>9,322</b>	<b>(3,353)</b>	-	-
- Operating costs and Group VAT pooling	2025	4,691	(7,966)	-	-
Winnington CHP Limited	<b>2026</b>	-	-	-	-
- UKETS allowances	2025	-	(297)	-	-
Brunner Mond Group Limited	<b>2026</b>	<b>531</b>	-	<b>68</b>	-
- Group relief	2025	3,106	-	3,106	-
British Salt Limited	<b>2026</b>	<b>17,621</b>	<b>(8,947)</b>	<b>741</b>	<b>(300)</b>
- Operating costs and Group VAT pooling	2025	12,044	(9,154)	2,562	(1,897)
Tata Chemicals Limited	<b>2026</b>	-	<b>(652)</b>	-	<b>(87)</b>
	2025	-	(488)	-	(216)
Homefield Pvt UK Limited	<b>2026</b>	-	<b>(19)</b>	-	-
	2025	-	(18)	-	-

Joint venture in which a wider group company was a venturer:

The Block Salt Company	<b>2026</b>	-	-	-	-
	2025	10	-	7	-

The Brunner Mond Pension Fund is also considered to be a related party. Further information in respect of transactions during the year are shown in Note 23.

Note 24 provides details relating to shares which were issued by the Company to its immediate parent company during the year.

#### Terms and conditions of transactions with related parties

Outstanding trading balances at the year end are unsecured and will be settled in cash. Interest on loans is generally charged at a rate that matches the rate paid on external loans by the loan provider. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2025: £nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

#### Transactions with key management personnel

There were no transactions with key management personnel in the year. Directors' remuneration is disclosed in Note 9.

## Notes (continued)

### 30 Ultimate controlling party

Prior to 11 December 2025, the Company's immediate parent undertaking was Brunner Mond Group Limited, a wholly owned indirect subsidiary of TCE Group Limited, a company incorporated in England. As part of a group restructuring exercise, on 11 December 2025 the Company's immediate parent undertaking became TCE Group Limited.

The ultimate parent company in the year to 31 March 2026 was Tata Chemicals Limited, a company incorporated in India. The only group in which the results of the Company are consolidated is that of Tata Chemicals Limited. Copies of the accounts are available from the Company Secretary, Tata Chemicals Limited, Bombay House, Mumbai, India.