Winnington CHP Limited

Annual report and financial statements

Registered number 08568552

For the year ended 31 March 2026

Contents

Strategic report	1
Directors' report	4
Statement of directors' responsibilities in respect of the annual report and the financial statements	7
Independent auditor's report to the members of Winnington CHP Limited	8
Profit and loss account	12
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity	16
Statement of cash flows	17
Notes	18

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 generation and sale of steam and carbon dioxide and the supply of externally purchased electricity.

The Company and its immediate parent company, Tata Chemicals Europe Limited, (together the "Group") are operationally and financially highly inter-dependent and, following the cessation of manufacturing operations at the Group's Lostock site in January 2025, the Group's demand for steam has reduced by approximately 80%.

Turnover for the year decreased to £18,581,000 (2025: £56,630,000) due to the significant reduction in the volume of steam sales to the Group's operations and sales of electricity to the national grid, but the efficiency of the Company's operations improved following the reconfiguration of its power station assets and carbon capture unit in the first quarter.

EBITDA before exceptional items for the year was a profit of £7,320,000 (2025: loss of £5,132,000), calculated as:

	2026	2025
	£000	£000
Operating profit/(loss)	**6,304**	(7,429)
Depreciation	**1,224**	4,023
Amortisation of government grants	**(208)**	(1,726)
	7,320	(5,132)

The profit on ordinary activities before taxation was £6,845,000 (2025: loss of £6,597,000).

Future outlook

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.

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 Group 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 24 to the financial statements. Financial risk is managed at Group level.

Strategic report (continued)

Key performance indicators ("KPIs")

The Company's main financial KPI is EBITDA, which for the year ended 31 March 2026 was a profit of £7,320,000 (2025: loss of £5,132,000). 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.

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.

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.

Strategic report (continued)

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.

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:

J L Abbotts
M J Ashcroft
D P W Davies
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 40,443 tonnes (2025: 313,250).

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 3,216 tonnes (2025: 588).

The aggregate of the following was 213,508 MWh (2025: 1,544,054):

- 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: same).

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.

By order of the board

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 Winnington CHP Limited

Opinion

We have audited the financial statements of Winnington CHP 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 profit 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 Winnington CHP 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.

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.

Independent auditor's report to the members of Winnington CHP Limited (continued)

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. 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.

Independent auditor's report to the members of Winnington CHP Limited (continued)

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.

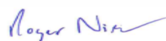
Auditor's responsibilities

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.

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**	2025
		£000	£000
Revenue	5	**18,581**	56,630
Cost of sales		**(14,674)**	(62,270)
Gross profit/(loss)		**3,907**	(5,640)
Other operating income	6	**3,208**	-
Administrative expenses		**(811)**	(1,789)
Operating profit/(loss)		**6,304**	(7,429)
Finance income	9	**1,086**	2,096
Finance costs	10	**(545)**	(1,264)
Net finance income		**541**	832
Profit/(loss) before tax	11	**6,845**	(6,597)
Taxation	13	**415**	-
Profit/(loss) for the year		**7,260**	(6,597)

All of the results shown above relate to continuing operations.

The Notes on pages 18 to 40 are an integral part of these financial statements.

Statement of comprehensive income

For the years ended 31 March

	Note	**2026**	2025
		£000	£000
Profit/(loss) for the year		**7,260**	(6,597)
Items that may be reclassified subsequently to profit or loss			
Cash flow hedge gains	12	**1,704**	35
Related tax	13	**(415)**	-
Other comprehensive income		**1,289**	35
Total comprehensive income/(loss)		**8,549**	(6,562)

The Notes on pages 18 to 40 form an integral part of these financial statements.

Balance sheet

At 31 March

	Note	2026	2025
Assets		**£000**	£000
Intangible assets	14	**51**	5,396
Property, plant and equipment	15	**25,103**	20,649
Other financial assets	22	**193**	-
Non-current assets		**25,347**	26,045
Cash and cash equivalents	16	**106**	182
Trade and other receivables	17	**23,814**	34,524
Inventories		**94**	111
Prepayments and accrued income		**63**	115
Other financial assets	22	**1,468**	-
Current assets		**25,545**	34,932
Total assets		**50,892**	60,977
Liabilities			
Government grants	19	**(3,016)**	(3,224)
Provisions	21	**(169)**	(1,741)
Lease liabilities		**(41)**	-
Non-current liabilities		**(3,226)**	(4,965)
Trade and other payables	18	**(8,948)**	(20,636)
Government grants	19	**(208)**	(208)
Deferred revenue	20	**(1,365)**	(9,255)
Provisions	21	**(3,526)**	(843)
Current liabilities		**(14,047)**	(30,942)
Total liabilities		**(17,273)**	(35,907)
Net assets		**33,619**	25,070
Equity			
Share capital	24	-	-
Retained earnings	25	**32,373**	25,113
Cash flow hedging reserve	25	**1,246**	(43)
Total equity		**33,619**	25,070

Balance sheet (continued)

The Notes on pages 18 to 40 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 (Note 24) £000	Retained Earnings (Note 25) £000	Cash flow hedging reserve (Note 25) £000	Total Equity £000
Balance at 1 April 2024	-	31,710	(78)	31,632
Loss for the year	-	(6,597)	-	(6,597)
Other comprehensive income	-	-	35	35
Total comprehensive (loss)/income	-	(6,597)	35	(6,562)
Balance at 1 April 2025	-	25,113	(43)	25,070
Profit for the year	-	7,260	-	7,260
Other comprehensive income	-	-	1,289	1,289
Total comprehensive income	-	**7,260**	**1,289**	**8,549**
Balance at 31 March 2026	-	**32,373**	**1,246**	**33,619**

The Notes on pages 18 to 40 form an integral part of these financial statements.

Statement of cash flows

For the years ended 31 March

	Note	**2026**	2025
		£000	£000
Profit/(loss) for the year		**7,260**	(6,597)
Finance income	9	**(1,086)**	(2,096)
Finance costs	10	**545**	1,264
Depreciation of property, plant and equipment	15	**1,321**	4,023
Amortisation of government grants	19	**(208)**	(1,726)
Profit on disposal of ETS allowances		**(2,693)**	-
Other non-cash items:			
- UK ETS		**-**	1,532
Taxation	13	**(415)**	-
		4,724	(3,600)
Decrease/(increase) in inventories		**17**	(22)
Decrease in trade, other receivables and prepayments		**703**	4,649
Decrease in trade and other payables		**(11,785)**	(1,124)
Increase in provisions		**2,035**	-
		(4,306)	(97)
Proceeds from the sale of UK ETS allowances		**10,410**	4,362
Net cash from operating activities		**6,104**	4,265
Net cash used in investing activities			
Purchase of property, plant and equipment		**(5,624)**	(3,015)
Net cash used in financing activities			
Interest paid		**(545)**	(1,264)
Interest received		**2**	-
Payment of lease liabilities (principal)		**(12)**	-
Payment of lease liabilities (interest)		**(1)**	-
		(556)	(1,264)
Net decrease in cash and cash equivalents		**(76)**	(14)
Cash and cash equivalents at 1 April	16	**182**	196
Cash and cash equivalents at 31 March	16	**106**	182

The Notes on pages 18 to 40 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 General information

Winnington CHP 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, 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:

- Presentation and Disclosure in Financial statements (IFRS 18)
- Subsidiaries Without Public Accountability: Disclosures (IFRS 19)
- 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:

- Items in the profit and loss account will be classified into five categories, namely operating, investing, financing, discontinued operations and income tax categories.
- Management-defined performance measures will be disclosed in a single note.
- Guidance on aggregation and disaggregation will be enhanced.
- 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.

Notes (continued)

3 **Significant accounting policies** (continued)

3.2 Going concern

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 immediate parent company (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, although the company is in a net current assets position, the going concern assessment has been performed for the Group to reflect the inter dependency of the two companies.

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

Emissions Trading Allowances

The Company participates in the UK Emissions Trading Scheme ("UK ETS"). For each calendar year the Company receives an allocation of free allowances which are initially recorded at fair value as an intangible asset with a corresponding deferred income balance that is released over the compliance period. Additional purchased allowances are valued at cost. At each period-end the Company estimates its outstanding obligation to surrender allowances. Where the obligation is already matched by allowances either held or purchased forward by the Company, the provision is calculated using the same cost as the allowances. To the extent that the Company has an obligation to surrender allowances in excess of allowances held or purchased forward, the provision is based on market prices at the balance sheet date.

3.4 Property, plant and equipment

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 assets under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Plant and equipment 2 to 30 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 Financial instruments

3.5.1 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.

Notes (continued)

3 **Significant accounting policies** (continued)

3.5.1 **Financial assets** (continued)

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.

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.

3.5.2 **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.

Notes (continued)

3 Significant accounting policies (continued)

3.5.2 Debt and equity instruments (continued)

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 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.

3.5.3 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.

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.

Notes (continued)

3 **Significant accounting policies** (continued)

3.5.4 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.

3.5.5 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.

3.5.6 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.

3.5.7 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 time value of money where appropriate.

3.6 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.

3.7 Revenue

Sale of goods

Operating revenue is derived from the sale of steam, carbon dioxide and related services. In accordance with IFRS 15, revenue from the sale of goods is recognised only when the performance obligation is met and at an amount to which the Company expects to be entitled, which in this case is at the point of metered supply. 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.

Notes (continued)

3 Significant accounting policies (continued)

3.7 Revenue (continued)

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.

3.8 Operating profit

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

3.9 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.

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.

Notes (continued)

3 Significant accounting policies (continued)

3.9 Tax (continued)

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 taxation authority.

3.10 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.

3.11 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.

Emissions Trading Allowances

At each period-end the Company estimates its outstanding obligation to surrender allowances under UK ETS. Where this obligation is already matched by free or purchased allowances, the provision is calculated using the same cost or deemed cost as the allowances. To the extent that the Company has an obligation to surrender allowances in excess of free and purchased allowances, the residual shortfall is based on market prices at the balance sheet date.

Notes (continued)

3 Significant accounting policies (continued)

3.12 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

3.13 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 as 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 investments, 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.

3.14 Reverse Forfaiting

Reverse forfaiting is a financing mechanism initiated by the Company under which a supplier sells a receivable due from the Company to a third party, for immediate settlement. As part of the arrangement, the Company benefits from an extended credit period in return for a financing charge. Where this arrangement does not result in payment terms significantly in excess of normal credit terms, does not result in the Company paying significantly increased finance charges, does not require the Company to provide additional collateral or a guarantee and does not result in the cancellation of the original invoice, the base value of the invoice continues to be recognised in trade payables. Where purchase invoices which have been subject to reverse forfaiting are outstanding at the balance sheet date, an accrual is made for unpaid financing charges.

3.15 Deferred Income

Emissions Trading Allowances

Under UK ETS, for each calendar year the Company receives an allocation of free allowances which are initially recorded at fair value as intangible assets with a corresponding deferred income balance that is released on a straight-line basis over the calendar year.

Notes (continued)

3 Significant accounting policies (continued)

3.16 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.

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 day, 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.

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.

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 (FVLCOD) and its value in use (VIU). The FVLCOD 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.

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

All sales arise in the UK. The Company has just one segment under IFRS 8, and therefore no further detailed segmental information has been presented.

6 Other income

	2026	2025
	£000	£000
Profit on sale of UK ETS allowances	**2,693**	-
Other operating income	**515**	-
	3,208	-

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2026	2025
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's financial statements	**(28)**	(25)

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

8 Staff numbers and costs

The average number of employees was:

	2026	2025
	Number	Number
Production and operations	**33**	15
Administration	**4**	9
	37	24

Notes (continued)

8 **Staff numbers and costs** (continued)

The aggregate remuneration comprised:

	2026	2025
	£000	£000
Wages and salaries	**(3,052)**	(1,594)
Social security costs	**(301)**	(161)
Other pension costs	**(294)**	(167)
	(3,647)	(1,922)

Staff providing services to the Company are employed and remunerated by Tata Chemicals Europe Limited ("TCEL"), the Company's immediate parent undertaking. The Company is recharged for these services and recognises the related costs within staff costs in the profit and loss account. No employees were directly employed by the Company during the year (2025: none).

None of the directors received any remuneration directly from the Company (2025: nil). The directors are remunerated by TCEL which recharges the Company for services provided. The amount recharged in respect of directors' services during the year was £58,000 (2025: 196,000).

9 **Finance income**

	Note	**2026**	2025
		£000	£000
Bank interest receivable		**2**	3
Interest receivable from fellow group undertakings	27	**1,084**	2,093
		1,086	2,096

10 **Finance costs**

		2026	2025
		£000	£000
Bank guarantee costs		**(110)**	(150)
Other finance costs		**(434)**	(1,114)
Interest payable to fellow group undertakings	27	**(1)**	-
Total finance costs		**(545)**	(1,264)

Notes (continued)

11 Profit before tax

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

	Note	**2026**	2025
		£000	£000
Staff costs	8	**(3,647)**	(1,922)
Depreciation of property, plant and equipment	15	**(1,224)**	(4,023)
Amortisation of government grants	19	**208**	1,726

12 Components of other comprehensive income

	2026	2025
Cash flow hedges:	**£000**	£000
Gains arising on commodity forward contracts	**1,558**	873
Reclassification adjustments for losses/(gains) included in profit or loss	**146**	(838)
	1,704	35

13 Tax

	2026	2025
Amount recognised in profit or loss	**£000**	£000
Deferred tax: Origination and reversal of temporary differences	**415**	-

Amount recognised in other comprehensive income

Items that may be reclassified subsequently to profit or loss:		
Deferred tax: cash flow hedge gains/(losses)	**(415)**	-

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

	2026	2025
	£000	£000
Profit/(loss) before tax	**6,845**	(6,597)
Tax on profit/(loss) on ordinary activities at the average UK corporation tax rate for the year 25% (2025: 25%)	**(1,711)**	1,649
Tax effects of:		
Group relief utilised in respect of current year	**1,970**	-
Movement in previously unrecognised deferred tax	**827**	(1,649)
Movement in prior year tax estimates	**(670)**	-
Total tax credit	**415**	-

Notes (continued)

13 Tax (continued)

A potential deferred tax asset of £2,662,000 (2025: £3,489,000) for decelerated capital allowances and unused tax losses has not been recognised because it is not considered probable that the asset will crystallise in the foreseeable future.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two). This was enacted by the UK Government in July 2023 and came into effect from 1 January 2024. The UK Group, of which the Company is a member, is within the scope of the OECD Pillar Two model rules. The UK Group anticipates doing full GloBE reporting but expect no material impact on the UK Group's and the Company's tax charge.

14 Intangible assets

UK ETS allowances - Deemed cost	**£000**
At 1 April 2025	5,396
Granted during the year	3,296
Purchased in the year	14,343
Sold in the year	(22,060)
Surrendered during the year	(924)
At 31 March 2026	**51**

15 Property, plant and equipment

Cost	**Land and buildings £000**	**Plant and equipment £000**	**Assets under construction £000**	**Total £000**
At 1 April 2025	2,680	39,537	3,051	45,268
Additions	-	54	5,624	5,678
Disposals	-	-	(233)	(233)
Reclassification	-	1,609	(1,609)	-
At 31 March 2026	**2,680**	**41,200**	**6,833**	**50,713**
Depreciation (including impairment losses)				
At 1 April 2025	(216)	(22,715)	(1,688)	(24,619)
Charge for the year	(90)	(887)	(247)	(1,224)
Disposals	-	-	233	233
Reclassification	-	(1,451)	1,451	-
At 31 March 2026	**(306)**	**(25,053)**	**(251)**	**(25,610)**
Net book value				
At 31 March 2026	**2,374**	**16,147**	**6,582**	**25,103**
At 31 March 2025	2,464	16,822	1,363	20,649

Notes (continued)

15 Property, plant and equipment (continued)

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

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

	Plant and equipment £000
At 1 April 2025	-
Additions of right-of-use assets	54
Depreciation charge for the year	(13)
At 31 March 2026	**41**

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 immediate parent company 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 6.5% (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.

The Group has approval for a new, larger sodium bicarbonate plant at its Winnington site and this will replace the existing plant on the same site. A key element of the project will be the continued operation of the Company's existing carbon capture and use plant to provide a key raw material, namely carbon dioxide.

As an alternative to the VIU impairment test, the recoverable amount of the CGU on a FVLCOD basis was calculated. The Group considers that an external buyer would attribute value to the carbon capture and use plant and other assets which will continue in use when the new sodium bicarbonate plant is built, but not to the other assets in the CGU. The Group has assessed the FVLCOD to be £25,062,000, all of which relates to the Company's assets and recognises the value of these assets to an external buyer as part of an investment in the new sodium bicarbonate plant.

The investment model utilised a pre-tax discount rate of 7.75%. EBITDA was projected taking into account a three year growth period to reach full capacity. Residual growth was set at 2.5%. The capital expenditure in the model included the impact of inflation on future project costs.

Sensitivity analysis was performed, including over discount rate, revenue growth rate, initial capital expenditure and construction period of the new plant. Taken individually and in combination, these sensitivities do not lead to an impairment in the carrying value of the PP+E.

At 31 March 2026 the Company had commitments of £276,000 (2025: £1,264,000) relating to the purchase of property, plant and equipment.

Notes (continued)

16 Cash and cash equivalents

	2026	2025
	£000	£000
Cash at bank and in hand	**106**	182

17 Trade and other receivables

	Note	2026 £000	2025 £000
Trade receivables		**417**	504
Amounts due from group undertakings and related parties	27	**20,692**	32,814
Tax and social security		**161**	304
Other receivables		**2,544**	902
		23,814	34,524

Trade receivables are non-interest bearing and are generally on 30-60 day terms. All customers are credit checked before acceptance. As at 31 March 2026, the Company had no trade receivables that had been impaired and provided for (2025: £nil). 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	Current £000	< 30 days £000	31-60 days £000	61-90 days £000	91-180 days £000	> 180 days £000
31 March 2026	**417**	**299**	**118**	**-**	**-**	**-**	**-**
31 March 2025	504	481	21	-	-	2	-

18 Trade and other payables

	Note	2026 £000	2025 £000
Trade payables		**(661)**	(801)
Trade payables – reverse forfaiting arrangement		**(4,316)**	(17,023)
Amounts owed to group undertakings and related parties	27	**(91)**	(58)
Other creditors		**(40)**	(74)
Accruals and deferred income		**(3,840)**	(2,680)
		(8,948)	(20,636)

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Trade payables are non-interest bearing. They 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 27. The directors consider that the carrying value of trade and other payables is approximately equal to the fair value.

Notes (continued)

18 **Trade and other payables** (continued)

As part of its working capital management, the Company enters into reverse forfaiting arrangements with financial institutions. Under these arrangements, some of the Company's suppliers receive early payment from the financial institution, while the Company settles the payable at a later date. These arrangements do not change the original payment terms with suppliers and do not significantly extend payment terms with the financial institution beyond normal terms agreed with other suppliers.

As at the balance sheet date, the financial institution had already paid the supplier in full (2025: same) and unpaid financing charges of £31,000 (2025: £160,000) had been accrued.

For additional information about how these arrangements affect the Company's exposure to liquidity risk see Note 26.

19 **Government grants**

	2026	2025
	£000	£000
At 1 April	**(3,432)**	(5,158)
Credited to profit and loss	**208**	1,726
At 31 March	**(3,224)**	(3,432)
Current	**(208)**	(208)
Non-current	**(3,016)**	(3,224)

In 2019, the Company was awarded a grant by the Department of Business, Energy & Industrial Strategy (BEIS) to build an industrial-scale Carbon Capture & Utilisation, Demonstration Plant at its Winnington site. At the balance sheet date there were no unfilled conditions attached to the grant.

20 **Deferred revenue**

UK ETS allowances	**£000**
At 1 April 2025	(9,255)
Allowances received during the year	(3,296)
Credited to profit and loss	11,186
At 31 March 2026	**(1,365)**

Notes (continued)

21 Provisions

Carbon emissions	**£000**
At 1 April 2025	
Current	(843)
Non-current	(1,741)
	(2,584)
Charged to profit and loss	(1,905)
Allowances received not yet returned	(130)
Allowances returned	924
At 31 March 2026	**(3,695)**
Current	**(3,526)**
Non-current	**(169)**

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 first three months of the 2026 calendar year and any excess allowances received in CY25 not yet returned. The surrender in respect of the 2025 calendar year took place in April 2026 and the deadline for surrendering allowances in respect of the 2026 calendar year is 30 April 2027.

22 Other current and non-current financial assets and liabilities

a) Derivative assets and liabilities

Gross balances in respect of all contracts for difference transactions

Financial instruments at FVTOCI	**2026**	2025
	£000	£000
Gas contracts for difference on behalf of Company – External – Non-current	**193**	-
Gas contracts for difference on behalf of Company – External – Current	**1,468**	-
Total other financial assets	**1,661**	-

Contracts for difference balances included on the face of the balance sheet

Financial instruments at FVTOCI	**2026**	2025
	£000	£000
Gas contracts for difference on behalf of Company – by Group (Note 27)	-	(43)
Total other current financial liabilities	-	(43)

Notes (continued)

b) Hedging activities and derivatives

Commodity price risk

In accordance with the Company's risk management policy, natural gas contracts for difference may be used to reduce the volatility of cash flows associated with highly probable forecast gas purchases due to the fluctuations in gas prices. As such these contracts for difference have been designated as cash flow hedges. The contracts are intended to hedge the volatility of the purchase price of gas for a period up to three years based on existing contracts of the Company. The terms of the contracts match the terms of the hedged items. There were no highly probable transactions for which hedge accounting has been claimed that have not occurred and no significant element of hedge ineffectiveness requiring recognition in the profit and loss account.

The counterparties for these contracts for difference are either the Company, or British Salt Limited, a fellow group undertaking. Where British Salt Limited enters into contracts for difference with external third parties to facilitate the hedging activities of the Company, any gains or losses incurred by British Salt Limited are immediately recharged to the Company and all financial assets and liabilities in respect of the third party contracts are matched by equivalent amounts payable to or receivable from the Company (Note 27). The Company has presented these intercompany amounts receivable or payable on the face of the balance sheet as other financial assets and other financial liabilities, to better reflect the nature of the transactions. The carrying value of these contracts for difference as at 31 March 2026 was an asset of £nil (2025: £nil) and a liability of £nil (2025: £43,000).

c) Fair value measurement

The fair value of derivative cash flow hedges 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.

d) Sensitivity analysis

Gas contracts for difference

The following table details the Company's sensitivity to a 10% increase and decrease in the natural gas price per therm. The table shows the potential impact to the fair value of the gas contracts for difference held on the balance sheet:

	Asset/(liability)	
	2026	2025
	£000	£000
Based on actual price per therm	**1,661**	(43)
10% increase in price per therm	**2,099**	64
10% decrease in price per therm	**1,223**	(150)

Notes (continued)

23 Contingent liability

The Company is a statutory employer and participating employer of the Brunner Mond Pension Fund, a defined benefit pension scheme of which Tata Chemicals Europe Limited was the original statutory employer. As a consequence, the Company is jointly and severally liable with Tata Chemicals Europe Limited for the scheme's Section 75 Debt.

The estimated funding shortfall of the scheme is £71 million, based on the most recent triennial valuation dated 31 December 2023. The actual amount for which the Company may become liable is uncertain and is contingent upon future events, including the financial condition of the other statutory employer and the performance of the plan's investments.

Management has assessed the likelihood of the Company being required to make a payment under this arrangement as remote as at 31 March 2026 and accordingly has not recognised a liability in the financial statements.

The Company will continue to monitor the financial position of the other statutory employer and the funded status of the pension plan and will assess any need to revise its estimate of the contingent liability in future reporting periods.

24 Called-up share capital

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

	2026	2025
	£	£
Authorised, issued and fully paid		
1 ordinary share of £1	**1**	1

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 earnings represents 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, 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.

Notes (continued)

26 Financial risk management and policies (continued)

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 or 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.

Commodity price risk

Commodity price risk is the risk that the purchase price of commodities will fluctuate. The Company's exposure relates largely to the purchase of natural gas. Where appropriate, the Company manages its commodity risk by hedging forecast purchases using contract for difference arrangements.

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 reverse forfaiting where appropriate.

The Company monitors its exposure to reverse forfaiting and includes the expected cash outflows in its liquidity forecasting.

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 fellow undertaking and a small 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.

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 balances owed to its parent company who is also a member of the same bank group as the Company. 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.

Notes (continued)

27 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. These transactions have also been disclosed in trade and other receivables, trade and other payables, and other financial assets and liabilities.

Trading transactions		**Sales to related parties £000**	**Purchases from related parties £000**	**Amounts owed by related parties £000**	**Amounts owed to related parties £000**
Companies which were part of the TCE Group Limited group					
Tata Chemicals Europe Limited	**2026**	**12,780**	-	-	-
	2025	34,123	-	-	-

Loans to related parties		**Interest charged to related party £000**	**Interest charged by related party £000**	**Amounts owed by related parties £000**	**Amounts owed to related parties £000**
Tata Chemicals Europe Limited	**2026**	**1,085**	-	**20,664**	-
	2025	2,093	-	32,717	-
Northwich Resource Management Limited	**2026**	-	**(1)**	-	**(83)**
	2025	-	-	-	-

Expenses and recharges		**Recharges to related parties £000**	**Recharges from related parties £000**	**Amounts owed by related parties £000**	**Amounts owed to related parties £000**
Companies which were part of the TCE Group Limited group					
Tata Chemicals Europe Limited	**2026**	**3,353**	**(9,322)**	-	-
- Operating Costs and Group VAT pooling	2025	7,966	(4,691)	-	-
Tata Chemicals Europe Limited	**2026**	-	-	-	-
- UK ETS allowances	2025	297	-	-	-
British Salt Limited	**2026**	**180**	**(242)**	**28**	**(8)**
- Operating costs	2025	-	-	-	-
British Salt Limited – UK ETS allowances	**2026**	**9,477**	**(4,522)**	-	-
	2025	4,250	-	-	-
British Salt Limited – intercompany derivatives	**2026**	**104**	**(236)**	-	-
	2025	917	(253)	97	(58)

Notes (continued)

27 Related party transactions

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.

28 Ultimate controlling party

The Company's immediate parent undertaking is Tata Chemicals Europe Limited, a company incorporated in England.

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.