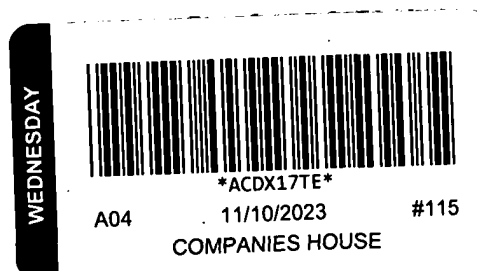


Registered number: 00269255

## **Imerys Minerals Limited**

**Annual report and financial statements for the year ended 31 December 2022**



**Imerys Minerals Limited**  
**Report and Financial Statements**  
Year ended 31 December 2022

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# Imerys Minerals Limited

## Strategic report

### Year ended 31 December 2022

#### Review of the business

Imerys Minerals Limited (the “Company”) is a wholly-owned subsidiary of the Imerys SA Group, a French multinational company headquartered in Paris and a constituent of the CAC Mid 60 index. It is a world leader in mineral-based specialities for industry, transforming a large variety of minerals into high value speciality products using sophisticated technical processes.

The Company’s operations in the UK are focused on the extraction and extensive processing of kaolin and ball clays supplemented by other industrial minerals and serves a number of end user markets through an extensive logistics network. The Company’s strategy aims to grow and protect market share through innovation, i.e. the development of new applications and product specifications whilst also adding value to customers through cost and quality competitiveness.

The Company organises its business in line with the Imerys worldwide group structure. There are 3 main Business Areas aligned to customer industry groups these are Performance Minerals; Refractories Abrasives Construction, and High Temperature Solutions. 95% percent of the Company’s sales from the UK are within the Performance Minerals Business Area with the remaining 5% within Refractories.

There has been a decrease in the defined pension asset of £3,466k and the net asset at 31 December 2022 is £13,549k compared to the net asset figure at the prior year-end of £17,015k. The decrease in the net asset is mainly due to the return on assets being higher than assumed partially offset by a lower discount rate leading to a higher value being placed on the defined benefit obligation and higher assumed inflation and inflation-linked assumptions placing a higher value on the defined benefit obligation.

#### Key performance indicators

The Company’s key financial indicators during the year were:

	<b>2022</b>	<b>2021</b>	<b>Change</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>
<b>Turnover</b>	225,313	180,876	25%
<b>Operating Profit</b>	2,184	(15,416)	114%
<b>Profit after tax</b>	(936)	(1,090)	14%
<b>Current assets as % of Current Liabilities</b>	121%	103%	17%
<b>Average number of employees</b>	983	944	4%

The sales volumes in the year were broadly in line with the previous year. However turnover has increased by 25% as a result of a more favourable market mix and additional price increases needed to offset the high levels of cost inflation experienced throughout the year especially on energy.

The Operating Profit and Profit After Tax in 2021 includes a one off dividend of £10m received from Imerys Alumina Ltd.

# **Imerys Minerals Limited**

## **Strategic report (Continued)**

### **Year ended 31 December 2022**

#### **Principal risks and uncertainties**

The Company's operational activities are highly energy-intensive involving a significant consumption of gas, electricity and gasoil. Short and medium-term volatility in energy commodity pricing is a key risk to profitability and competitiveness. The UK Government's withdrawal of tax relief on red diesel in April 2022 have had a significant impact on the Company's fuel costs.

In addition, with an international customer base and supply chain the Company is exposed to volatility in foreign exchange currency markets, in particular GBP to US Dollar and Euro. The Company, facilitated through Imerys Group Corporate Treasury, actively manages these risks through commodity and currency hedging although it does not itself enter into derivatives or other complex financial instruments.

Structural changes, consolidation of key markets and disruptive or alternative technologies present risks and opportunities to market dominance. Active market intelligence gathering, strong customer relationships and investment in innovation are leveraged to combat this threat.

The health and safety of our employees, partners and the public is a key focus in all of the Company's activities as is the care and sustainment of our environment. Our internal processes and practices are constantly evolved to address these risks as we strive to operate beyond compliance.

#### **Future developments**

In recent years the Company has invested in shaping its operational assets to align to market volumes/trends and better exploit the natural characteristics and quality of its mineral reserves. This strategy has positioned the Company well for the future with high levels of utilisation and a capacity to invest in innovation and customer care.

Regeneration of legacy mining infrastructure and associated landscapes remains a key strategic imperative for the organisation. It continues to pioneer new technologies to return non-operational sites to a natural and sustainable condition and will seek opportunities to support wind turbine, solar and hydroelectric power generation schemes where appropriate and economical. In addition, through its associated undertaking EcoBos Development Limited, the redevelopment of sites for commercial and community housing projects will continue to be explored an example of which is the premier 'Eco Community' scheme at West Carclaze.

The creation of the Garden Village on the Baal/West Carclaze site in mid-Cornwall is now well underway. Imerys has a 25% minority share in the development company, Eco-Bos, creating this village which has a new primary school as a key element.

The Company aims to enhance resilience of the Cornish china clay industry by evaluating the economic viability of extracting lithium from minerals that occur in the same rock as china clay -- thus increasing the resource efficiency of the mined rock, making this vital Cornish industry more internationally competitive and securing a domestic supply of lithium that is vital to the transition to renewable energy and a zero-carbon economy.

#### **Post Balance sheet event**

No subsequent events that require adjustments or disclosure in the financial statements for the year ended 31<sup>st</sup> December have been identified.

#### **Section 172 Statement**

The revised UK corporate Governance Code (2018 Code) was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies Regulation 2019 requires Directors to explain how they considered the interests of key stakeholders and the broader matters set out in Section 172(1) (A) to (F) of the Companies Act 2006 (S172) when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. This S172 statement, explains how the Company's Directors have;

- Engaged with employees, suppliers, customers, and others
- Had regard to employee interests
- Had regard to the need to foster the company's business relationships with customers and other.

# **Imerys Minerals Limited**

## **Strategic report (Continued)**

### **Year ended 31 December 2022**

- Considered the effect of the above in the principal decisions taken by the company during the financial year.

This Section 172 statement focuses on strategic matter of importance to the Company and the level of information disclosed is consistent with the size and complexity of the business.

#### GENERAL CONFIRMATION OF DIRECTORS DUTIES

The Company's Board has a clear framework for determining the matters within its remit. The board operates under clear referential guidelines from the Imerys Group that determines the matters within the remit. Clear financial and strategic thresholds are determined to identify matters which require UK board consideration and approval and those which require further consideration and approval of the parent company in the Imerys Group.

A clear delegation of authority sets out where the delegation and approval process can be applied in the wider business.

When making decisions, each Director ensures that he/she acts in the way that he/she considers would most likely promote the company's success for the benefit of its business as a whole, and in doing so have regards (among other matters) to;

#### S172(1) (A) 'The likely consequences of any decision in the long term'

The directors understand the business and the changing environment and industry in which we operate including the challenges of navigating through the transition to a national service provider, the economic impact of Brexit changes and the need for sustainable transport solutions.

The board operates to deliver in the long term aligned to this strategic direction, generate long term value whilst recognising that any long-term success is dependent on business stakeholders.

The directors recognise that not all decisions may align with all stakeholder groups interest given the nature of the change in the business and the wider economic challenges. Given the strategic direction and the industry requirements in which we operate the directors have taken decisions they believe support the strategic direction of the Company.

#### S172(1) (B) 'The interests of the company's employees'

The Directors recognise that the Company's employees are fundamental and key to the success of the business. As a service provider the success of the Company is dependent on attracting, retaining, and motivating employees. From health and safety, workplace environment, pay and benefits, the directors factor the implications of decisions on employees where relevant and feasible. Being a responsible employer of choice for our workforce is central to the decision-making process.

#### S172 (1) (C) 'The need to foster the company's business relationships with suppliers, customers and others'

Delivering our strategy requires strong mutually beneficial relationships with both our suppliers and customers, the Company actively promotes building relationships with all our key partners. The business regularly assesses levels of confidence from our customer base and actively seeks feedback on performance. The Company is building a national supplier base to support the larger business and is engaging with our suppliers on investment decisions and solution proposals to help to drive the company forward.

Any strategic decision is considered in the context of the impact of our external stakeholders and early involvement and communication is actively practised. The directors receive regular updates and information on a variety of topics in the day to day business but also on strategic projects to inform how these stakeholders have been engaged and the impact assessed.

**Imerys Minerals Limited**  
**Strategic report (Continued)**  
**Year ended 31 December 2022**

S172(1) (D) 'The impact of the company's operations on the community and the environment'

As a key part of the UK Mining sector, the board of the Company ensure that any environmental impact is considered in all decision-making processes. The Company maintains a strong working relationship with the Environmental Agency.

The directors actively promote supporting both the local communities in the UK and on a national basis. The directors have regular updates on the activities ongoing in the business .

S172(1) (E) 'The desirability of the company maintaining a reputation for high standards of business conduct'

The Company works under clear frameworks which are approved by the board including Ethics and Compliance manuals throughout the business. The board works with the wider Imerys business to ensure the standards throughout the business are maintained. The board is informed on a regular basis and monitors compliance.

S172(1) (F) 'The need to act fairly as between members of the company'

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our directors act fairly as between the company's members but are not required to balance the Company's interest with those of other stakeholders and this can sometimes mean that certain stakeholders may not be fully aligned.

Approved by the board and signed on its behalf by:

*Paul Welsh*

P Welsh  
Director

Par Moor Centre  
Par Moor Road  
Par  
Cornwall  
PL24 2SQ

4<sup>th</sup> October 2023

# **Imerys Minerals Limited**

## **Director's report**

### **Year ended 31 December 2022**

The directors present their annual report on the affairs of Imerys Minerals Limited ('the Company'), together with the audited financial statements and auditor's report, for the year ended 31 December 2022.

The war in Ukraine along with continued high levels of inflation in the UK since the last quarter of 2021 has had a significant impact on our operational costs particularly energy costs.

#### **Principal activities**

The Company continued to trade in the business of mining and processing kaolin, ball clay and calcium carbonate.

The Company is a subsidiary undertaking of Imerys UK Limited, incorporated in Great Britain and registered in England and Wales.

#### **Future developments**

Details of future developments can be found in the Strategic Report on page 2.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Review of the Business within the Strategic Report.

#### **Going concern**

The Company operates in a cash pooling agreement as part of the Imerys SA group and this is utilised for all cash flow requirements. Through the directors' investigations they have satisfied themselves that facilities will be available to Imerys Minerals Limited to face its trading for the foreseeable future.

The directors have had regard for the financial position of the company and of its expected performance in the foreseeable future, particularly given the current economic climate and the impact of the Covid Pandemic along with the War in Ukraine. The Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

#### **Research and development**

The Company continues to invest in research and development, principally through its Research and Development facilities in Cornwall.

#### **Existence of branches outside the UK**

The Company has no branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK.

#### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

#### ***Cash flow risk***

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. This risk is managed centrally by the larger Group through the use of foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. As such the Company does not itself enter into these contracts.

#### ***Credit risk***

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

# **Imerys Minerals Limited**

## **Director's report (Continued)**

### **Year ended 31 December 2022**

#### **Financial risk management objectives and policies (continued)**

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

#### **Dividends**

No dividend was paid in 2022.(2021: £5,000,000).

#### **Directors**

The directors, who served throughout the year and subsequently except as noted, were as follows:

A Shopland	Resigned 31 January 2023
M Hewson	Appointed 27 May 2022
S Wang	
P Welsh	
J Barnard	Resigned 30 June 2022
R Townsend	Appointed 10 November 2022

#### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Political contributions**

No political donations were made by the Company during either year.

#### **Charitable donations**

During the year the Company made charitable donations totalling £26,287 (2021: £9,042).

#### **Disabled employees**

Disabled persons are employed in suitable occupations within the Company. Opportunities for career development are made available where practicable. Every effort is made to ensure that employees who become disabled whilst in employment are given the opportunity to continue in employment or to be retrained for other more suitable positions.

#### **Employee consultation**

The Company considers it important both to provide employees with information concerning trading performance and progress and to ensure that employees are aware of individual roles and responsibilities. The Company uses a variety of means of communicating with its employees, including the Company's Intranet system and more traditional internal publications and employee briefings.

The Company recognises its obligation to comply with health and safety and environmental legislation and encourages employees to be aware of their individual responsibilities in these matters through training and communication. An employee share scheme was implemented in 2006 in the Imerys SA Group. It is open to all employees and enabled employees to purchase shares at a reduced rate from the market rate at the time of grant. In addition, certain senior employees receive an annual bonus related to the overall profitability and cash flow generation of the Company, the regional Business Unit, the global Business Unit and personal performance against objectives.



# **Imerys Minerals Limited**

## **Director's report (Continued)**

### **Year ended 31 December 2022**

#### **Environment, safety and health**

The Company is committed to minimising any adverse impact of its activities on the environment and to provide safe and healthy working conditions for its employees. Regular reviews have been conducted of environmental, safety and health (ESH) management practices and plans to enhance performance have been implemented.

A combination of recycling, backfilling, surface tipping and subsequent restoration is employed to minimise the environmental impact of waste generated by mineral extraction operations. In addition, the Company is actively engaged in developing plans for the regeneration of surplus land in the Mid Cornwall china clay area, providing a wide range of opportunity for new communities, employment, housing, recreation and transport links. The Company also has extensive secondary aggregates operations, placing +2Mt / year of natural by-product into local and national infrastructure and the construction sector.

The Company is maintaining and developing its ESH management programmes and nominated senior personnel are responsible for their implementation. In addition, line managers are responsible for ESH performance in their own areas. The Corporate reporting system is designed to ensure that they are accountable for such performance. Overall ESH responsibility is vested in the Board of Directors.

#### **Energy and carbon reporting**

A subsidiary company is exempt if it is included within the group report of a parent Company for a financial year that ends at the same time as, or before the end of, the subsidiary's financial year and the parent Company gives disclosures that comply with the regulations. Imerys SA reports on carbon emissions in its publicly available consolidated financial statements, which include Imerys Minerals Ltd and its operations.

#### **Auditor**

Each of the persons 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 he/she ought to have taken as a director in order to make himself/herself 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.

Constantin have been deemed re-appointed under section 487 of the 2006 Act.

Approved by the Board and signed on its behalf by:

*Paul Welsh*

P Welsh  
Director

Par Moor Centre  
Par Moor Road  
Par  
Cornwall  
PL24 2SQ

4<sup>th</sup> October 2023

**Imerys Minerals Limited**  
**Director's responsibility statement**  
**Year ended 31 December 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board and signed on its behalf by:

*Paul Welsh*

P Welsh  
Director

Par Moor Centre  
Par Moor Road  
Par  
Cornwall  
PL24 2SQ

4<sup>th</sup> October 2023

# **Independent auditor's report to the members of Imerys Minerals Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Imerys Minerals Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

# **Independent auditor's report to the members of Imerys Minerals Limited**

## **Report on the audit of the financial statements**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

# **Independent auditor's report to the members of Imerys Minerals Limited**

## **Report on the audit of the financial statements**

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

# **Independent auditor's report to the members of Imerys Minerals Limited**

## **Report on the audit of the financial statements**

### **Use of our report**

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



Thierry de Gennes ACA (Senior statutory auditor)

For and on behalf of Constantin, Chartered Accountants and Statutory Auditor

25 Hosier Lane

London

EC1A 9LQ

4<sup>th</sup> October 2023

**Imerys Minerals Limited**  
**Profit and loss account**  
For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Turnover</b>	3	<b>225,313</b>	<b>180,876</b>
Cost of Sales		(177,332)	(153,401)
<b>Gross Profit</b>		<b>47,981</b>	<b>27,475</b>
Other operating income	4	15,216	11,883
Employment costs	8	(43,704)	(39,403)
Depreciation, amortisation and impairment	11, 12	<u>(17,309)</u>	<u>(15,371)</u>
<b>Operating (Loss) / Profit</b>		<b>2,184</b>	<b>(15,416)</b>
Profit on sale of property	4	507	1,693
Exceptional items			
Interest receivable	5	384	1
Interest payable and similar charges	5	(642)	(911)
Income from shares in group undertakings	5	<u>          </u>	<u>10,000</u>
<b>(Loss) / Profit on ordinary activities before taxation</b>		<b>2,433</b>	<b>(4,633)</b>
Tax on profit on ordinary activities	10	<u>(3,369)</u>	<u>3,543</u>
<b>(Loss) / Profit for the financial year</b>		<b><u>(936)</u></b>	<b><u>(1,090)</u></b>

**Imerys Minerals Limited**  
**Statement of Other Comprehensive Income**  
For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
<b>(Loss) / Profit for the financial year</b>		<u><b>(936)</b></u>	<u><b>(1,090)</b></u>
Remeasurement of net defined benefit liability (loss) gain	23	(9,826)	42,424
Gain from Sale of Assets		-	-
Tax credit/(charge) relating to components of other comprehensive income		<u>2,457</u>	<u>(10,606)</u>
<b>Other Comprehensive (loss) / Income</b>	23	<u><b>(7,370)</b></u>	<u><b>31,818</b></u>
<b>Total Comprehensive (loss) / Income attributable to equity shareholders of the Company</b>		<u><b>(8,306)</b></u>	<u><b>30,728</b></u>



# Imerys Minerals Limited

## Balance sheet

At 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Intangible assets	11	6,139	6,011
Tangible assets	12	102,010	106,366
Investments	13	73,800	73,800
		<u>181,949</u>	<u>186,177</u>
<b>Current assets</b>			
Stocks	14	33,394	26,116
Debtors	15	64,923	47,310
Cash at bank and in hand		<u>23,600</u>	<u>2,613</u>
		121,918	76,039
<b>Creditors: amounts falling due within one year</b>	16	(100,823)	(73,871)
<b>Net current assets</b>		<u>21,095</u>	<u>2,168</u>
<b>Debtors: amounts falling due after more than one year</b>	15	0	17,071
<b>Total assets less current liabilities</b>		203,044	205,417
<b>Creditors: amounts falling due after more than one year</b>	17	(3,793)	(2,155)
Provisions for liabilities	18	(73,946)	(73,119)
Pension (liability) / Asset	23	13,548	17,015
<b>Net assets including pension liability</b>		<u><u>138,853</u></u>	<u><u>147,158</u></u>
<b>Capital and reserves</b>			
Called-up share capital	19	64,967	64,967
Revaluation reserve	19	8,860	9,825
Capital contribution	19	1,281	1,281
Profit and loss account	19	63,745	71,085
<b>Shareholders' funds</b>		<u><u>138,853</u></u>	<u><u>147,158</u></u>

The financial statements of Imerys Minerals Limited (registered number 00269255) were approved by the Board of Directors and authorised for issue on 4<sup>th</sup> October 2023. They were signed on its behalf by:

*Paul Welsh*

P Welsh  
Director

Par Moor Centre  
Par Moor Road  
Par  
Cornwall  
PL24 2SQ

4<sup>th</sup> October 2023

**Imerys Minerals Limited**  
**Statement of changes in equity**  
For the year ended 31 December 2022

	<b>Called-up share capital £'000</b>	<b>Revaluatio n reserve £'000</b>	<b>Capital Contributio n £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 31st December 2020</b>	<b>64,967</b>	<b>10,855</b>	<b>1,281</b>	<b>44,329</b>	<b>121,432</b>
					-
Profit for the financial year	-	-	-	(1,090)	(1,090)
Remeasurement of net defined benefit liability	-		-	42,424	42,424
Tax relating to items of other comprehensive income	-	-	-	(10,606)	(10,606)
Dividends	-	-	-	(5,000)	(5,000)
<b>Total comprehensive income</b>				<b>25,728</b>	<b>25,728</b>
<b>At 31 December 2021</b>	<b>64,967</b>	<b>10,855</b>	<b>1,281</b>	<b>70,057</b>	<b>147,160</b>
Profit for the financial year	-	-	-	(936)	(936)
Remeasurement of net defined benefit liability	-	-	-	(9,826)	(9,826)
Tax relating to items of other comprehensive income	-	-	-	2,456	2,456
Dividends					
<b>Total comprehensive income</b>				<b>(8,307)</b>	<b>(8,307)</b>
Realisation of property revaluation gains	-	(965)	-	965	-
<b>At 31 December 2022</b>	<b>64,967</b>	<b>9,890</b>	<b>1,281</b>	<b>62,716</b>	<b>138,853</b>

# **Imerys Minerals Limited**

## **Notes to the financial statements**

### **For the year ended 31 December 2022**

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### ***a. General information and basis of accounting***

Imerys Minerals Limited ('the Company') is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is Par Moor Centre, Par Moor Road, Par, Cornwall, PL24 2SQ. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) as issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Imerys SA, which may be obtained from The Secretary, Imerys SA, 43 Quai de Grenelle, Paris, France. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, financial instruments and remuneration of key management personnel.

##### ***b. Going concern***

The Company operates in a cash pooling agreement as part of the Imerys SA group and this is utilised for all cash flow requirements. Through the directors' investigations they have satisfied themselves that facilities will be available to Imerys Minerals Limited to face its trading for the foreseeable future.

The directors have considered future forecasts and have a reasonable expectation that the Company has adequate resources to continue in operational for the foreseeable future. The Parent Company Imerys SA has undertaken to provide financial support for the foreseeable future and, given the undertaking, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

##### ***c. Intangible assets – product development and other intangibles***

Research expenditure is written off as incurred. Product development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Company is expected to benefit as outlined below. Provision is made for any impairment.

##### ***d. Goodwill***

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its estimated useful economic life. Useful economic lives are reviewed for impairment at the end of each reporting period and revised if necessary. The carrying amount at the date of revision is amortised over the revised estimate of the remaining useful economic life.

##### ***e. Amortisation***

Amortisation is charged so as to write off the cost of an asset, less its residual value, over its estimated useful economic life as follows:

Other intangibles	15 years straight-line
Goodwill	20 years straight-line
Software	5-7 years straight-line

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**1. Accounting policies (continued)**

**f. Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	50 years / remaining useful life (whichever is shorter)
Leasehold land and buildings	50 years / remaining useful life (whichever is shorter)
Freehold mineral deposits	Depreciated over their remaining lives on the basis of tonnage extracted
Fixed plant, machinery and equipment	8-20 years
Office and laboratory equipment, furniture and fittings	3-10 years
Mobile plant and equipment	4-10 years
Computer software	5-7 years
Overburden	1-15 years

Overburden depreciation will depend on the life of the mineral reserve uncovered; this is generally between one and 15 years and is constantly reviewed.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**g. Investments**

Investments in subsidiary and associated undertakings are held at cost less any subsequent provision for impairment and amounts written off. The book value is compared to the value in use at closing. This value in use is assessed on the basis of net asset value, or the expected discounted cash flows, to which is then deducted the net financial debt.

**h. Financial instruments**

The Company only enters into simple financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**(i) Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit and loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

# **Imerys Minerals Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### ***h. Financial instruments (continued)***

##### ***(ii) Financial liabilities***

Basic financial liabilities, including trade and other payables and amounts due to fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### ***i. Stocks***

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Provision is made for obsolete, slow-moving or defective items where appropriate.

##### ***j. Taxation***

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**1. Accounting policies (continued)**

**k. Revenue**

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised.

*Sale of goods:*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch.

*Sale of services:*

Revenue from the sale of services is recognised upon delivery of the service.

*Interest income:*

Revenue is recognised as interest accrues using the effective interest method.

*Grant income:*

Grants are credited to the profit and loss account as the related expenditure is incurred or amortised.

**l. Exploration and evaluation expenditure**

Exploration and evaluation costs are expensed in the year in which they are incurred until it is concluded that the project is technically feasible and commercially viable and therefore future economic benefits probable.

Exploration and evaluation costs will be capitalised under the following circumstances:

- (i) the exploration and evaluation activity is within an area of interest which was previously acquired as an asset acquisition or in a business combination and measured at fair value on acquisition;
- (ii) the existence of a commercially viable mineral deposit has been established (resulting in an increase to the reserves classed as proven or probable within the BMR).

**m. Stripping costs**

Stripping costs are incurred in the course of the development and operation of open-pit mining operations. Stripping costs relate to the removal of waste material as part of the initial development of an open-pit in order to allow access to the ore body. These costs are capitalised within Intangible Assets.

The capitalised costs are depreciated once production commences on a unit of production basis and in proportion to the volume of ore extracted in the year compared with total proven and probable reserves, and measured resources for that pit at the beginning of the year. Operating stripping costs relate to the costs of extracting waste material as part of the ongoing mining process.

The costs of extracting material from an open-pit mine are generally allocated between ore and waste stripping in proportion to the tonnes of material extracted. The waste stripping costs are generally absorbed into inventory and expensed as that inventory is processed and sold.

Where the stripping costs relate to a significant stripping campaign which is expected to provide improved access to an identifiable component of the ore body (typically an individual phase within the overall mine plan), the costs of removing waste in order to improve access to that part of the ore body will be capitalised within Tangible Assets.

The capitalised costs will then be amortised on a unit of production basis in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates.

**n. Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**1. Accounting policies (continued)**

**n. Foreign currency (continued)**

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- (i) exchange differences on transactions entered into under foreign currency ; and
- (ii) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

**o. Leases**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**p. Pensions**

The Company operates both a defined benefit and a defined contribution pension scheme.

Payments to the defined contribution scheme are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

For the defined benefit plan, this requires contributions to be made to a separately administered fund. The regular cost of providing retirement benefits to employees during the year is charged to operating profit in the year. The full cost of providing amendments to benefits in respect of past service is also charged to operating profit in the year. The difference between the fair value of assets held in the Company's defined benefit pension scheme and the scheme's liabilities are measured on an actuarial basis using the projected unit method and recognised in the Company's balance sheet as a pension asset or liability as appropriate. Related deferred tax is presented separately, within debtors (amounts due after more than one year).

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contributions by the Company are charged to the profit and loss account or the statement of comprehensive income in accordance with FRS 102.

**q. Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

**r. Environmental Compliance Provision**

Provisions are created in recognition of certain constructive and legal obligations associated with environmental matters and land restoration. These provisions recognise the potential restoration and environmental costs to be incurred when the obligation arises. The provisions are created at current values and discounted in line with long-term AA Corporate Bond rates. The cost of complying with these requirements and obligations will be incurred at the various locations both during and after the end of the site's working life.

The provisions are reviewed annually.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

***Critical judgements in applying the Company's accounting policies***

The directors do not believe that there are any critical judgements, apart from those involving estimations (which are dealt with separately below), that they have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

***Key source of estimation uncertainty - Valuation of Environmental Compliance Provisions***

Owing to the operations of the Company a provision is required in recognition of certain constructive and legal obligations associated with environmental matters and land restoration. These obligations only crystallise when pits are closed, which can be many years in the future. As such, estimation is required to consider the cost of the restoration activity and the date on which the cost will be incurred. The estimation process leverages the Company's significant experience with such activities along with relevant professional advice. At 31 December 2022 this provision totals £73,946,000 (2021: £73,012,000). See note 18.

***Key source of estimation uncertainty - Defined benefit pension scheme***

The actuarial assumptions, calculation and methodology used to estimate the defined benefit pensions scheme financial position has been diligently considered with specialist advisers and the application of industry standard practices. Key estimated factors include: Discount rate; RPI inflation; CPI inflation, salary growth; life expectancy. Due to the magnitude of the schemes assets (£532,433,000) and liabilities (£519,117,000) as at 31<sup>st</sup> December 2022 any variability in these estimates can have a material impact on the Company's financial position. See note 23.



**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**3. Turnover**

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Turnover:</b>		
United Kingdom	48,488	38,159
Overseas	176,825	142,717
	<u>225,313</u>	<u>180,876</u>

An analysis of the Company's revenue is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Sales of goods	225,313	180,876
Turnover	<u>225,313</u>	<u>180,876</u>

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>4. Other Income</b>		
Rental income	1,179	1,055
Royalties	748	505
Intra-group income	6,760	6,419
Interest	25	-
Other income	6,504	4,211
Grants	-	-
Property Sales	507	1,693
<b>Other operating income &amp; Profit on sale of property</b>	<u>15,723</u>	<u>13,883</u>

Grants represent amounts received in respect of capital expenditure. The Company has not directly benefited from any other forms of government assistance.

Other income includes amount of £0 (2021: £430,173) relating to government grant obtained during 2021 for employee furlough income that came to an end in 2021. Also included are incomes related to the sale of Aggregates, outside contracted works and income from fees in relation to waste management

**5. Net finance costs**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable and similar charges	642	911
Less: Interest receivable and similar income	(384)	(1)
Income from shares in group undertakings	<u>258</u>	<u>(10,000)</u>
	<u>258</u>	<u>(9,090)</u>

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

***Investment Income***

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Interest received from external sources	(284)	2
Group interest receivable	(100)	(1)
Income from shares in group undertakings		10,000
	<u>(384)</u>	<u>10,001</u>

***Interest payable and similar charges***

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts		7
Finance leases and hire purchase contracts	469	(5,152)
Net interest on defined benefit liability (note 23)	(360)	420
Unwinding of discounts on provisions (note 18)	533	5,636
	<u>642</u>	<u>911</u>

**6. Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging/(crediting):

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation of tangible fixed assets (note 12)	15,061	14,697
Amortisation of intangible assets (note 11)	2,247	675
Government grants	-	-
Foreign exchange gain	973	1,071
Cost of stock recognised as an expense	19,747	22,162
Impairment of stock	670	71
Gain on disposal of assets (note 11)	(614)	(773)
Operating lease rentals	12,642	10,902
Impairment of fixed asset (note 11)	-	-
	<u>50,726</u>	<u>48,805</u>

Impairment of fixed assets is included in administrative expenses.

**7. Auditor's remuneration**

Fees payable to Constantin for the audit of the Company's financial statements were £200,640 (2021: £195,200).

**8. Staff numbers and costs**

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

# Imerys Minerals Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2022

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Production	743	722
Sales	30	25
Research and development	58	54
General and administration	152	143
	<u>983</u>	<u>944</u>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	36,649	34,349
Social security costs	3,522	2,974
Other pension costs	4,310	2,820
Exception items	(777)	(740)
	<u>43,704</u>	<u>39,403</u>

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

The exceptional employment costs in both the current and prior year relate to movements in a redundancy provision.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**9. Directors' remuneration and transactions**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b><i>Directors' remuneration</i></b>		
Emoluments	422	485
Company contributions to pension schemes	16	8
	<u>438</u>	<u>493</u>
	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
<b>The number of directors who:</b>		
Are members of defined contribution pension schemes	3	1
Are members of defined benefit pension schemes	<u>-</u>	<u>2</u>
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Remuneration of the highest paid director:</b>		
Emoluments	134	247
Company contributions to pension schemes	<u>-</u>	<u>-</u>

The highest paid director did not exercise any share options in the year.

The highest paid director is a member of the Company's defined benefit pension scheme.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**10. Tax on profit on ordinary activities**

The tax charge comprises:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax on profit on ordinary activities</b>		
UK corporation tax	-	-
Adjustment in respect of the prior period	(217)	(380)
	<u>(217)</u>	<u>(380)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,976	(1,486)
Effect of increased/decreased tax rate on opening balance	-	(1,617)
Adjustment in respect of the prior period	(390)	(60)
	<u>3,586</u>	<u>(3,163)</u>
<b>Total deferred tax (note 25)</b>		
	<u>3,586</u>	<u>(3,163)</u>
<b>Total tax on profit on ordinary activities</b>	<u><u>3,369</u></u>	<u><u>(3,543)</u></u>

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit on ordinary activities before tax</b>	2,433	(4,633)
	<u>2,433</u>	<u>(4,633)</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2021: 19%)	462	(880)
Effects of:		
- Expenses not deductible for tax purposes	92	233
- Fixed Asset Differences	234	271
- Non-taxable income		(1,900)
- Difference in tax rates	417	572
- Adjustments in respect to the prior period	(607)	(440)
- Pension adjustments	2,457	(2,545)
- Utilisation of capital losses and indexation		114
- Group Relief	532	665
- Loss carry back		380
- Other Differences	(218)	(13)
<b>Total tax charge for the period</b>	<u><u>3,369</u></u>	<u><u>(3,543)</u></u>

Finance Act 2020, which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023. Finance Act 2021, which was substantively enacted on 24 May 2021, has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023.

As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**11. Intangible fixed assets**

	<b>Other £'000</b>	<b>Software £'000</b>	<b>Product development £'000</b>	<b>Goodwill £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
at 1 January 2022	153	2,305	23	9,624	12,105
Additions	2,471	(96)			2,375
Disposals		(75)			(75)
At 31 December 2022	2,624	2,134	23	9,624	14,405
<b>Amortisation</b>					
at 1 January 2022	124	1,616	23	4,331	6,094
Charge for the Year	1,603	163		481	2,247
Impairment					
Disposal	-	(75)	-	-	(75)
At 31 December 2022	1,727	1,704	23	4,812	8,266
<b>Net book value</b>					
At 31 December 2022	897	430	-	4,812	6,139
At 31 December 2021	29	689	-	5,293	6,011

**i. Product development**

Product development costs were capitalised in previous years, in accordance with FRS 102 section 18 and are therefore not treated for dividend purposes as a realised loss.

**ii. Other intangible assets**

Other intangibles include environmental studies relating to the review of mineral planning permissions.

Amortisation is included within the depreciation, amortisation, and impairment profit and loss account.

**iii. Goodwill**

Goodwill is as a result of the acquisition, and subsequent hive up, of Goonamarris Limited. The amortisation has 11 years left to run.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**12. Tangible fixed assets**

	<b>Freehold Property £'000</b>	<b>Leasehold property £'000</b>	<b>Overburden £'000</b>	<b>Plant &amp; Machinery £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>					
<b>At 1 January 2022</b>	<b>133,209</b>	<b>8,026</b>	<b>42,252</b>	<b>252,456</b>	<b>435,943</b>
Additions	401	159	6,132	4,208	10,900
Disposals	(2,105)	(8)	-	(2,737)	(4,850)
<b>At 31 December 2022</b>	<b>131,505</b>	<b>8,177</b>	<b>48,384</b>	<b>253,927</b>	<b>441,993</b>
<b>Comprising:</b>					
Cost	77,758	4,148	48,384	253,927	384,217
Valuation	53,747	4,029	-	-	57,776
<b>Depreciation</b>					
<b>at 1 January 2022</b>	<b>92,287</b>	<b>6,593</b>	<b>16,660</b>	<b>214,037</b>	<b>329,577</b>
Charge for the Year	2,950	264	2,487	9,360	15,061
Impairment		-			-
Disposals	(1,912)	(6)	-	(2,737)	(4,655)
<b>At 31 December 2022</b>	<b>93,325</b>	<b>6,851</b>	<b>19,147</b>	<b>220,660</b>	<b>339,983</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>38,180</b>	<b>1,326</b>	<b>29,237</b>	<b>33,267</b>	<b>102,010</b>
<b>At 31 December 2021</b>	<b>40,922</b>	<b>1,433</b>	<b>25,592</b>	<b>38,419</b>	<b>106,366</b>

***Freehold property***

The land element included in the above costs of freehold property at cost of £5,789,000 (2021: £5,984,000) are not depreciated.

***i. Assets in the course of construction***

Included in the above cost of plant and machinery of is an amount of £1,745,000 (2021: £3,578,000) in respect of assets in the course of construction.

***ii. Impairment of assets***

Impairment of nil (2021: nil) arose as a result impairment of the mineral reserve and other assets.

***iii. Gains from Asset Sales***

Gains of £683,000 (2021: £683,000) were made in the year from sales of fixed assets.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**13. Fixed asset investments**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Subsidiary undertakings	71,300	71,300
Associates	2,500	2,500
	<u>73,800</u>	<u>73,800</u>

**Investments**

The Company has investments in the following subsidiary undertakings, associates and other significant investments.

	<b>Country of incorporation or principal business address</b>	<b>Principal activity</b>	<b>Share Holding</b>	<b>%</b>
Reclaym Ltd	England and Wales	Storage, treatment and disposal of naturally Occurring Radioactive Material (NORM).	2,300,000	75
Eco-Bos Development Limited	England and Wales	Development of sustainable communities within mid-Cornwall	2,500,000	25
Goonamarris Limited	England and Wales	Dormant	1,153	100
Imerys Aluminates Ltd	England and Wales	Manufacture of cement	5,600,000	100

The registered address for the above investments is Par Moor Centre, Par Moor road, Par, PL24 2SQ.



**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**13. Fixed asset investments (continued)**

*Subsidiary undertakings*

	<b>£'000</b>
<b>Cost</b>	
At 1 January 2022	71,300
Addition	
Disposal	
At 31 December 2022	<u>71,300</u>
At 1 January 2022 and 31 December 2022	<u>71,300</u>
Carrying value as at 31 December 2022	<u>71,300</u>

*Associates*

	<b>£'000</b>
<b>Carrying value</b>	
At 1 January 2022 and 31 December 2022	<u>2,500</u>

The investments are carried at historical cost less any subsequent provision for impairment and amounts written off.

Subsidiary undertakings and participating interests have not been consolidated/equity accounted by Imerys Minerals Limited as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of Imerys SA.

**14. Stocks**

The impairment and reversal of past impairment losses of stock arose as a result of movements in the stock provision. Impairments and reversal of impairments of stocks are included in cost of sales.

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Production materials	10,336	8,992
Finished goods and goods for resale	23,058	17,124
	<u>33,394</u>	<u>26,116</u>

**15. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	37,616	23,403
Amounts owed by group undertakings	7,175	5,017
Other debtors	8,419	6,642
Prepayments and accrued income	3,435	4,188
Corporation tax receivable	8,278	8,060
	<u>64,923</u>	<u>47,310</u>

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**Amounts falling due after more than one year:**

	<b>£'000</b>	<b>£'000</b>
Intra-group loans	0	17,071
Deferred tax (note 25)		-
	<u>0</u>	<u>17,071</u>

Interest is charged on the intra-group loans at a rate of EONIA (Euro Over Night Index Average) minus 0.1% and is repayable on demand.

**16. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	48,859	47,858
Amounts owed to group undertakings	2,008	1,794
Corporation tax	6,440	6,440
Other taxation and social security	-	-
Other creditors	7,214	5,257
Deferred government grants	5,941	3,292
Accruals and deferred income	2,340	5,501
Intra-group loans	28,021	3,729
	<u>100,823</u>	<u>73,871</u>

No formal loan agreement exists in relation to the above intra-group loan and no interest is charged on this balance

As such, the balance is deemed to be repayable on demand.

**17. Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Lease Liability	12,801	11,497
Deferred Aggregate Income	(12,519)	(11,723)
Deferred tax liability	3,511	2,381
	<u>3,793</u>	<u>2,155</u>

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**18. Provisions for liabilities**

	<b>Environmental Compliance</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 January 2022</b>	<b>73,012</b>	<b>107</b>	<b>73,119</b>
Discount unwind (note 5)	533	-	533
Expenditure for the year	(2,141)		(2,141)
Movement in provision	2,542	(107)	2,435
<b>At 31 December 2022</b>	<b>73,946</b>		<b>73,946</b>

**Environmental Compliance**

£17,491,000 (2021: £17,243,000) of this provision represents the discounted value of restoration work on mining sites expected to be carried out in the next 19 years. The remainder relates to the discounted value of decontamination and demolition work.

**Rail sidings**

The rail sidings provision represents the future discounted costs of an onerous lease. This was released in 2021.

**Other**

Other provisions relate to the expected costs for settlement of customer litigation claims, and redundancy.

**19. Called-up share capital and reserves**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Allotted, called-up and fully-paid		
64,967,000 ordinary shares of £1 each	<u>64,967</u>	<u>64,967</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of the defined benefit pension scheme, net of dividends paid and other adjustments.

**19. Called-up share capital and reserves (continued)**

The capital contribution reserve represent contributions from the owners of an acquired company: Calderys UK Limited towards pension costs.

The revaluation reserve represents the cumulative effect of the historical revaluation of freehold and leasehold land and buildings. This is net of the realisation of amounts in the profit and loss account in line with either depreciation of these assets or their disposal.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**20. Financial commitments**

Capital commitments are as follows:

	2022 £'000	2021 £'000
Commitments	1,504	937
	<u>1,504</u>	<u>937</u>

Capital commitments relate to capital expenditure projects planned for 2022.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022		2021	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- within one year	556	1,021	661	1,722
- between two and five years	2,185	1,539	2,528	2,568
- after five years	31,746	21	33,578	-
	<u>34,487</u>	<u>2,581</u>	<u>36,767</u>	<u>4,290</u>

**21. Employee benefits**

***Defined contribution schemes***

The Company operates a defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2022 was £4,310,000 (2021: £2,820,000).

***Defined benefit schemes***

The Company also operates a defined benefit pension scheme for qualifying employees.

Further details of the defined benefit scheme are disclosed in note 23 of the financial statements.

**22. Related party transactions**

The Company has taken advantage of the exemption provided by FRS 102 paragraph 33.1A to not disclose transactions entered in to between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

***Other related party transactions***

During the year the Company purchased services in the ordinary course of business from ReClaym Limited, a subsidiary, at a cost of £519,090 (2021: £519,090) and sold services at a cost of £603,963 (2021: £603,963). At the balance sheet date, amounts owed by and to ReClaym Limited were £37,098 and £50,147 respectively, (2021: £37,098 owed from and £50,147 owed to ReClaym Limited). These amounts all relate to trading balances.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**23. Pension schemes**

**Defined benefit pension scheme**

The Company operated a pension scheme for its employees in the UK. The scheme, which is of the funded defined benefit type, covers approximately 65% of Imerys Minerals Limited's UK based employees.

The assets of the UK scheme are held in separate, trustee-administered funds. As a matter of policy there is no investment in the shares or other assets of Imerys Minerals Limited, or its parent company, Imerys SA, by the UK scheme.

Mercer has prepared this preliminary report for Imerys Minerals Limited to (i) present a preliminary estimate of liabilities as at 30 June 2022 (the "measurement date") in respect of the Imerys UK Pension Scheme to incorporate, as the Company deems appropriate, in its financial statements under international reporting standards, to (ii) provide a preliminary projection of the liabilities as at 31 December 2022, and to (iii) provide a preliminary actuarial estimate of the defined benefit cost for the fiscal year ending 31 December 2023.

The main assumptions applied are as follows:

***Weighted average assumptions to determine defined benefit obligations:***

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Discount rate	4.80	1.80
Salary increase	2.75	2.95
Pensions-in-payment increase rate	3.05	3.35
Deferred pension increase rate	2.50	2.70
Price inflation rate	3.15	3.40

***Weighted average assumptions to determine cost relating to defined benefit plans:***

	<b>%</b>	<b>%</b>
Discount rate	1.80	1.40
Salary increase	2.95	2.45
Pensions-in-payment increase rate	3.35	2.85
Deferred pension increase rate	2.70	2.20
Price inflation rate	3.40	2.90

***Assumed life expectancy on retirement at age 65:***

Member age 65	M 20.7/F 23.4	M 20.7/F 23.4
Member age 45 (life expectancy at age 65) -active member	M 22.6/F 25.0	M 22.5/F 24.9

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**23. Pension schemes (continued)**

The amounts recognised in the balance sheet are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets	532,666	813,752
Present value of scheme liabilities	(519,117)	(796,737)
Net (Liability) / Asset in the balance sheet	13,548	17,015
Related deferred tax asset (note 25)	(2,785)	(3,350)
Net (liability) / Asset after deferred tax	<u>10,763</u>	<u>13,665</u>

***Scheme assets***

Changes in the fair value of scheme assets are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fair value at start of period	813,752	830,821
Interest income on plan assets	14,380	11,378
Remeasurements	(261,930)	1,441
Employer contributions	7,366	6,407
Benefits paid	(39,536)	(34,888)
Administrative expenses	(1,366)	(1,407)
Fair value at end of period	<u>532,666</u>	<u>813,752</u>

***Analysis of assets***

The major categories of scheme assets are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	6,931	3,422
Equity instruments	39,298	43,743
Debt instruments	482,704	762,532
Real estate	3,334	3,415
Other	399	640
	<u>532,666</u>	<u>813,752</u>

The pension scheme has not invested in any of the Company's own financial instruments or in properties or other assets used by the company.

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**23. Pension schemes (continued)**

***Scheme liabilities***

Changes in the present value of scheme liabilities are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Present value at start of period	796,737	860,810
Remeasurements	(252,104)	(40,983)
Interest cost	14,020	11,798
Benefits paid	(39,536)	(34,888)
Changes arising from employee service		-
Present value at end of period	<u>519,117</u>	<u>796,737</u>

***Amounts recognised in the profit and loss account***

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Administrative expenses	1,366	1,407
Changes arising from employee services		-
Past Service Costs		
Recognised in arriving at operating profit	<u>1,366</u>	<u>1,407</u>
Net interest on net defined benefit liability	(360)	420
Total recognised in the profit and loss account	<u>1,006</u>	<u>1,827</u>

***Amounts recognised in the statement of comprehensive income***

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Remeasurement losses/(gains)	9,826	(42,424)
Deferred tax thereon	(2,457)	10,606
	<u>7,370</u>	<u>(31,818)</u>

**Imerys Minerals Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2022

**24. Controlling party**

The Company is a subsidiary undertaking of Imerys UK Limited, incorporated in Great Britain and registered in England and Wales.

The results of the Company are consolidated in the group that is headed by Imerys SA, which is incorporated in France. In the directors' opinion the Company's ultimate parent undertaking and controlling party is Parjointco NV, a company incorporated in the Netherlands. The consolidated financial statements of Imerys SA group are available to the public and may be obtained from their registered office:

The Secretary  
Imerys SA  
43 Quai de Grenelle  
Paris  
France

**25. Deferred taxation**

	Accelerated capital allowance	Pension scheme deficit	Losses	Other timing difference	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	1,544	(5,698)	(368)	(540)	(5,062)
Charged/(credited) to the profit and loss.	1,530	(1,558)	(3,114)	(21)	(3,163)
Credited to other comprehensive income		10,606			10,606
At 31 December 2021	3,074	3,350	(3,482)	(561)	2,381
Charged/(credited) to the profit and loss	829	1,891	987	(120)	3,587
Charged to other comprehensive income		(2,457)			(2,457)
At 31 December 2022	3,903	2,785	(2,495)	(681)	3,512

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

**26. Subsequent event**

Imerys UK Ltd the parent of the company acquired an 80% share of Research by British Lithium in June 2023, following this investment the Joint Venture purchased a licence and long term lease option from IML

No other subsequent events that require adjustments or disclosure in the financial statements for the year ended 31<sup>st</sup> December 2022 have been identified.