

Cabot Activated Carbon Holdings UK Limited
Annual report and financial statements
for the year ended 30 September 2021

Registered Number 08133730

(England & Wales)

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Cabot Activated Carbon Holdings UK Limited

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Cabot Activated Carbon Holdings UK Limited

Directors and advisors

Directors

H E McCulloch (resigned 31 October 2021)

L Dumont

A Tucker (appointed 5 January 2022)

Secretary and registered office

A Tucker

Sully Moors Road

Sully

Penarth

CF64 5RP

United Kingdom

Auditor

Deloitte LLP

Statutory Auditor

5 Callaghan Square

Cardiff

CF10 5BT

United Kingdom

Solicitors

Eversheds LLP

Senator House

85 Queen Victoria Street

London

EC4V 4JL

United Kingdom

Bankers

JP Morgan Chase Bank, N.A.

Chaseside

Bournemouth

BH7 7DB

United Kingdom

Cabot Activated Carbon Holdings UK Limited

Strategic report

The directors present their strategic reports on the affairs of the company, together with the audited financial statements, for the year ended 30 September 2021.

Cabot Activated Carbon Holdings UK Limited is a holding company of investments held in other Cabot group companies.

Business review

There have not been any significant changes in the principal activity of the company in the financial year ended 30 September 2021.

The directors consider the year-end financial position to be satisfactory. The balance sheet position of the company is acceptable and in line with the directors' expectations.

The directors consider the functional currency of the company to be US Dollars (\$). The financial statements are therefore presented in US Dollars \$.

The company's loss for the year of \$366,008,000 (2020: loss of \$7,687,000) and its net liability position at 30 September 2021 of \$236,841,000 (Net asset 2020: \$129,167,000) are in line with the directors' expectations. Both movements reflect an £361,015,000 impairment value in relation to the impact of the investments held in the Norit entity which was sold post year-end; the carrying value has been reduced to its recoverable value resulting in an impairment.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business of Cabot Activated Carbon Holdings UK Limited.

Principal risks and uncertainties

The principal risks are limited to the carrying value of the investments in the company's subsidiary. The directors review the carrying value for any impairment at least twice a year and make adjustments if deemed necessary.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes on liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk and circumstances where it would be appropriate to use financial instruments to manage these.

Liquidity risk

The company actively maintains short-term debt finance with other Group companies that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Cabot Activated Carbon Holdings UK Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Interest rate cash flow risk

The company has interest-bearing liabilities. These relate entirely to inter-group borrowings which are largely dictated by the Group's interest rate management policies.

Economic Impacts

Both Brexit and COVID-19 have continued to impact the economy throughout the year. With 31st January 2020 seeing the exit of the UK from the European Union and we expect to see further outcomes and effects from this agreement as the Post Brexit UK-EU relationship evolves, running alongside this is the ongoing variants of the COVID-19 strain impacting both personnel and the wider business requirements with ongoing government policies and actions throughout the year aiming to restrict the virus.

There is no direct economic impact on the business during the financial year.

Future developments

The directors are not aware of any planned changes in the nature or scale of the company's operations.

Approved by the Board of Directors on 27th September 2022 and signed on behalf of the Board by:

A Tucker

A Tucker
Director

Cabot Activated Carbon Holdings UK Limited

Directors' report

The directors present their annual report on the affairs of Cabot Activated Carbon Holdings UK Limited, ("the Company"), together with the audited financial statements for the year ended 30 September 2021.

Future developments

Details of future developments can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

Financial risk

Details of financial risk can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Going concern

At 30 September 2021 the Company had net current liabilities \$313,192,000 (2020: \$308,199,000) and net liability of \$236,841,000 (Net assets 2020: \$129,167,000). The directors have carried out a review of the company's financial position for a period of 12 months from the date of signing these financial statements and received a letter of support from its parent company, Cabot Corporation Inc.

Given the uncertainties surrounding the current economic environment, the company is reliant on Cabot Corporation Inc's ability to support them in the coming months. The letter of support has provided an acknowledgement whereby any amounts due to Cabot Corporation Inc. or its subsidiaries within the group will not be recalled for repayment until a time when sufficient funds are available.

Cabot Corporation Inc. monitors the company's financial situation on an ongoing basis and may take actions to refinance or other actions to financially support this wholly owned subsidiary if required in the future.

Accordingly, the going concern basis adopted for the preparation of the financial statements is considered appropriate.

Dividends and transfers to reserves

The directors did not propose a dividend in the year (2020: nil). The loss for the year of \$4,992,000 (2020: loss of \$7,687,000) has been taken from reserves.

Events after the balance sheet date

During November 2021 a Share Purchase agreement between Cabot Corporation, Cabot Activated Carbon Holdings UK limited and OEP LSCAPE Cooperatief UA was made, the financial statements of Cabot Activated Carbon Holdings UK have accounted for the sale price of \$76,350,000 and changes in investment within these accounts through an impairment of \$361,015,000 to bring the carrying value of the business down to the recoverable value of the business.

Directors

The directors who held office during the year and thereafter, unless otherwise stated, are noted on page 1.

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.

Cabot Activated Carbon Holdings UK Limited

Directors' report (continued)

Auditor

Each of the persons who is a director of the company at the date when this report is approved 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board by:

A Tucker

A Tucker

Director

27th September 2022

Cabot Activated Carbon Holdings UK Limited

Directors' responsibilities statement

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; 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.

Cabot Activated Carbon Holdings UK Limited

Independent auditor's report to the members of Cabot Activated Carbon Holdings UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Cabot Activated Carbon Holdings UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2021 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 balance sheet.
- the statement of changes in equity; and
- the related notes 1 to 12.

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.

Cabot Activated Carbon Holdings UK Limited

Independent auditor's report to the members of Cabot Activated Carbon Holdings UK Limited

Conclusions relating to going concern (continued)

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.

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. This description forms part of our auditor's report.

Cabot Activated Carbon Holdings UK Limited

Independent auditor's report to the members of Cabot Activated Carbon Holdings UK Limited

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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks 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 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.

Cabot Activated Carbon Holdings UK Limited

Independent auditor's report to the members of Cabot Activated Carbon Holdings UK Limited

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.

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.



Andrew Woodhead FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cardiff, United Kingdom

Date 29 September 2022

Cabot Activated Carbon Holdings UK Limited

Profit and loss account for the year ended 30 September 2021

	Note	2021 \$'000	2020 \$'000
Administrative expenses		(21)	(79)
Operating loss	3	(21)	(79)
Impairment Expense		(361,016)	-
Finance costs (net)	5	(5,255)	(8,138)
Loss before taxation		(366,292)	(8,217)
Tax credit on loss	7	284	530
Loss for the financial year		(366,008)	(7,687)

The accounting policies and notes on pages 13 to 19 form part of the financial statements.

All the items in the profit and loss account for the year and the prior year relate to continuing operations.

The company has no gains and losses other than the losses in the current and prior year as shown above. Therefore, a separate statement of comprehensive income has not been presented.

Cabot Activated Carbon Holdings UK Limited

Balance sheet

As at 30 September 2021

	Note	2021 \$'000	2020 \$'000
Fixed assets			
Investments	8	76,351	437,366
		76,351	437,366
Current assets			
Debtors: amounts falling due within one year	9	4,671	4,388
		4,671	4,388
Creditors: amounts due within one year	10	(317,863)	(312,587)
Net current liabilities		(313,192)	(308,199)
Total assets less current liabilities, being net (liabilities)/assets		(236,841)	129,167
Capital and reserves			
Called up share capital	11	50	50
Share premium Account	11	174,736	174,736
Profit and loss account	11	(411,627)	(45,619)
Shareholder's (deficit)/funds		(236,841)	129,167

The financial statements of Cabot Activated Carbon Holdings UK Limited, registered number 08133730, were approved by the Board of Directors and authorised for issue on 27th September 2022. They were signed on its behalf by:

A Tucker

A Tucker
Director

Cabot Activated Carbon Holdings UK Limited

Statement of changes in equity For the year ended 30 September 2021

	Called up share capital	Share premium	Profit and loss account	Total
	\$'000	\$'000	\$'000	\$'000
At 1 October 2019	50	174,736	(37,932)	136,854
Loss for the financial year	-	-	(7,687)	(7,687)
Total comprehensive expense	-	-	(7,687)	(7,687)
At 30 September 2020	50	174,736	(45,619)	129,167
Loss for the financial year	-	-	(366,008)	(366,008)
Total comprehensive expense	-	-	(366,008)	(366,008)
At 30 September 2021	50	174,736	(411,627)	(236,841)

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2021

1 Accounting policies

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

General information and basis of accounting

Cabot Activated Carbon Holdings UK Limited ("the company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention.

The accounts are presented in US Dollars (US\$) due to the opinion of the directors that this is the functional currency of the company. Inter-company balances are denominated in US\$, as are the interest cash flows associated with them.

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 financial statements. Cabot Activated Carbon Holdings UK Limited is consolidated in the financial statements of its parent, Cabot Corporation Inc., which may be obtained at Two Seaport Lane, Suite 1300, Boston MA 02210-2019, USA. Exemptions have been taken in these separate company financial statements in relation to presentation of a cash flow statement, financial instruments, related party transactions and remuneration of key management personnel.

Going concern

At 30 September 2021 the Company had net current liabilities \$313,192,000 (2020: \$308,199,000) and Total net liabilities of \$236,841,000 (Net assets 2020: \$129,167,000). The directors have carried out a review of the company's financial position for a period of 12 months from the date of signing these financial statements and received a letter of support from its parent company, Cabot Corporation Inc.

Given the uncertainties surrounding the current economic environment, the company is reliant on Cabot Corporation Inc's ability to support them in the coming months. The letter of support has provided an acknowledgement whereby any amounts due to Cabot Corporation Inc. or its subsidiaries within the group will not be recalled for repayment until a time when sufficient funds are available.

Cabot Corporation Inc. monitors the company's financial situation on an ongoing basis and may take actions to refinance or other actions to financially support this wholly owned subsidiary if required in the future.

Accordingly, the going concern basis adopted for the preparation of the financial statements is considered appropriate.

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.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Accounting policies (continued)

Taxation (continued)

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.

A net deferred tax asset is regarded as recoverable and therefore 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.

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.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange ruling at the year-end. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. All exchange differences, both realised and unrealised, are taken to the profit and loss account in the year in which they arise. They are included within the finance costs.

Investments

Investments are stated at cost less any provision for impairment in value. An impairment is recognised where conditions exist that suggest the carrying value of an investment exceeds its recoverable amount, which is considered to be the higher of the future anticipated cash flows from the investment, discounted to current value, and the value of the investment which could be realised if it were to be sold, less any incidental costs of disposal.

Group financial statements

Group financial statements have not been prepared as permitted by section 401 of the Companies Act 2006 as the company is a wholly-owned subsidiary of Cabot Corporation Inc., a company incorporated in the United States of America, which prepares consolidated financial statements.

Financial instruments.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements

for the year ended 30 September 2021 (continued)

1 Accounting policies (continued)

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, it is considered whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

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 Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

(ii) Equity Instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

Interest Rates

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The company has applied the following amendments to FRS 102 issued by the FRC in December 2020: LIBOR settings for GBP will either cease or no longer be representative immediately following 30 September 2021 and the benchmark replacement will be SONIA as at 1 October 2021.

The amendments enable the company to reflect the effects of transitioning from LIBOR to SONIA without giving rise to accounting impacts that would not provide useful information to users of financial statements. The company is exposed to LIBOR in its group undertakings relating to intercompany debtors and creditors

Interest revenue

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable, which is 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.

Share Premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements

for the year ended 30 September 2021 (continued)

Critical accounting judgements and key sources of estimation uncertainty

- 2 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 accounting judgements in applying the company's accounting policies

There are no critical judgements, that the directors 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.

Due to the nature of the company, there are no key sources of estimation uncertainty.

3 Operating loss

The operating loss is made up entirely of administrative expenses which include:

	2021	2020
	\$'000	\$'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	8	4

4

Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the annual accounts were \$8,000 (2020: \$4,000).

There were no fees payable to Deloitte LLP and their associates for non-audit services (2020: \$nil).

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

Finance costs (net)

	2021	2020
	\$'000	\$'000
5 Interest payable on inter-company loans	5,256	8,148
Interest receivable on inter-company loans	(1)	(10)
	5,255	8,138

6 Staff numbers and costs

There were no employees in the company in either year. The directors are not employees of the company. They receive no remuneration for their services to the company (2020: same).

7 Tax on loss

The tax credit comprises:	2021	2020
	\$'000	\$'000
Current tax on loss		
UK corporation tax	284	530
Tax credit for the year	284	530

The tax credit for the year is less than (2020: less than) the standard rate of corporation tax of 19% (2020: 19%).

	2021	2020
	\$'000	\$'000
Loss before tax	(366,292)	(8,217)
Tax on loss at the rate of UK corporation tax of 19% (2019: 19%)	69,595	1,561
Effects of:		
Amounts overprovided in previous years	(133)	-
Expenses not allowed for tax purposes	(69,178)	(1,031)
Current tax credit for the year	284	530

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

Tax on loss (continued)

The main UK corporation tax rate of 19%, was announced in the Budget on 11 March 2020, was substantively enacted for IFRS and UK GAAP purposes on 17 March 2020

The Finance Bill 2021 was published on 11 March 2021. This was substantively enacted on 24 May 2021, the Finance Bill includes measures to increase the main UK corporation tax rate to 25% for profits arising after 1 April 2023.. On 23 September 2022, it was announced that the increase to 25% would now not occur and the Corporation Tax would instead be held at 19%.

8 Fixed asset investments

The impairment of £361,015,000 relates to the sale of the Purification business, Norit, as detailed in the post balance sheet events paragraph within the directors' report, which impacted the investment in Cabot BV and therefore reduced the recoverable value of the company down to the recoverable value of the sale.

Shares in group undertakings at cost	2021 \$'000	2020 \$'000
Cost and net book value	437,366	437,366
Impairment relating to the sale of Norit Site	(361,015)	-
Total Fixed Asset Investment	76,351	437,366

Investments in subsidiary undertaking

At 30 September 2021 and 30 September 2020, the company held the whole of the issued ordinary share capital of Cabot Activated Carbon B.V., an investment holding company incorporated in the Netherlands.

Investments in related undertaking at cost	2021 \$'000	2020 \$'000
Cabot Activated Carbon B.V.	76,351	437,366

Subsidiary undertaking	Country of incorporation of principal business	Principal activity	Holding	%
Cabot Activated Carbon B.V.	Astronaut 34, 3824 MJ Amersfoort, The Netherlands	Investment company	Ordinary	100%

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

9 Debtors

	2021 \$'000	2020 \$'000
Amounts due within one year		
Amounts owed by group undertakings for group tax relief	418	4,388
Other Debtors- Income Taxes	4,253	-
	4,671	4,388

Amounts owed by group undertakings for group tax relief are not interest-bearing. Amounts are repayable on demand.

10 Creditors: amounts falling due within one year

	2021 \$'000	2020 \$'000
Accruals	15	14
Amounts due to group undertakings	454	676
Bank loans and overdrafts	317,394	311,897
	317,863	312,587

Amounts due to group undertakings are interest-bearing and based on LIBOR plus rates ranging from 0.6% to 1.0%. Amounts are repayable on demand. As detailed further within the accounting policy note, LIBOR will cease to be used as at 30 September 2021.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

10 Creditors: amounts falling due within one year (continued)

The company participates in a group-wide overdraft/banking facility, with no individual limit. The facility is ongoing, with no expiry date. There is no security held on this by Cabot Activated Carbon Holdings UK Limited. Interest on the overdraft facility is settled by another group company on behalf of the facility as a whole. The amount attributed to the company can be found in the profit and loss account.

11 Called up share capital and reserves

Ordinary shares of \$1 each	2021	2020
	\$	\$
50,300 Ordinary shares of \$1 each – allotted, called up and fully paid	50,300	50,300

The company has one class of ordinary share which carries no right to fixed income.

Reserves

The profit and loss deficit of \$236,891,000 (2020: \$45,619,000) represents cumulative profits and losses. This deficit accounts for the Impairment Reserve included in relation to the Impairment Reserve for the proposed Norit Sale.

The share premium at the start and end of the year of \$174,736,000 represents consideration on the acquisition of the ordinary shares of the company by its holding company Cabot Activated Carbon UK Limited.

12 Ultimate and immediate holding company

The ultimate parent undertaking and controlling party is Cabot Corporation Inc., a company incorporated in the United States of America, which is the parent undertaking of the smallest and largest group to consolidate the company's results. Copies of the group financial statements can be obtained from Cabot Corporation Inc., Two Seaport Lane, Suite 1300, Boston MA 02210-2019, USA which is also the entity's registered address.

The directors regard Cabot Activated Carbon UK Limited as its immediate holding company. Copies of the financial statements of Cabot Activated Carbon UK Limited may be obtained from Cabot Activated Carbon UK Limited, Sully Moors Road, Sully, Penarth, CF64 5RP.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

13 Post Balance Sheet Events

During November 2021 a Share Purchase agreement between Cabot Corporation, Cabot Activated Carbon Holdings UK Limited and OEP LSCAPE Cooperatief UA in relation to the sale of the Norit entity. The financial statements of Cabot Activated Carbon Holdings UK reflect the sale price of \$76,350,000 and an impairment reserve set up of \$361,015,000 to bring the carrying value of the business down to the recoverable value of the business. There are further notes in the Directors report.