

Cabot Activated Carbon Holdings UK Limited
Annual report and financial statements
for the year ended 30 September 2022

Registered Number 08133730



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

Menzies LLP

5 The Crescent

Ashcombe House

Leatherhead

KT22 8DY

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 2022.

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 2022. However the sale of the purification business, was completed in March 2022 through 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 with a sale price of \$85,000,000. The prior year accounts for Cabot Activated Carbon Holdings UK Limited had written down the investment to the expected sale price of \$76,350,000 and an impairment reserve set up of \$361,015,000. As a result of the change to the final sales price and a distribution received from Cabot Activated Carbon B.V. prior to the sale, there is an impairment reversal of \$35,933,000 recognised in the current year.

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 profit for the year of \$50,873,000 (2021: loss of \$366,008,000) and its net liability position at 30 September 2022 of \$185,968,000 (Net liability 2021: \$236,841,000) are in line with the directors' expectations.

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

There are no longer any fixed asset investments so risk is minimal.

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.

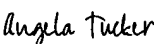
Economic Impacts

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 30th May 2023 and signed on behalf of the Board by:

DocuSigned by:

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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 2022.

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 2022 the Company had net current liabilities \$185,968,000 (2021: \$313,192,000) and net liability of \$185,968,000 (Net Liabilities 2021: \$236,841,000). 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 (2021: nil). The profit for the year of \$50,873,000 (2021: loss of \$366,008,000) has been added to reserves.

Events after the balance sheet date

No subsequent events have occurred since the end of the financial year.

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

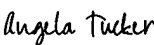
Each of the persons who is a director of the company at the date when this report is approved confirms that:

- 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.

Menzies LLP were appointed as auditors on 27 October 2022. Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Approved by the Board of Directors on 30th May 2023 and signed on behalf of the Board by:

DocuSigned by:

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A Tucker
Director
30th May 2023

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

Opinion

We have audited the financial statements of Cabot Activated Carbon Holdings UK Limited (the 'company') for the year ended 30 September 2022 which comprise the Profit and Loss account, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with *International Standards on Auditing (UK)* (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Cabot Activated Carbon Holdings UK Limited

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

We have nothing to report in this regard.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

Auditors' 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 Auditors' 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.

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:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the standard laws applicable to building work;

Cabot Activated Carbon Holdings UK Limited

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

- The Companies Act 2006;
 - Financial Reporting Standard 102;
 - UK tax legislation; and
 - General Data Protection Regulations.
- We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the company's and financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process.
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas;

- The application of inappropriate judgements or estimation to manipulate the Company's financial position
- Posting of unusual journals and complex transactions; and
- The use of management override of controls to manipulate results, or to cause the Company to enter into transactions not in its best interests.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Cabot Activated Carbon Holdings UK Limited

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

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 Auditors' 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.

DocuSigned by:
Caroline Milton

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Caroline Milton FCA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

Ashcombe House

5 The Crescent

Leatherhead

Surrey

KT22 8DY

Date: 30-May-2023

Cabot Activated Carbon Holdings UK Limited

Profit and loss account for the year ended 30 September 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|--|------|----------------|----------------|
| Administrative expenses | | (32) | (21) |
| Operating Loss | 3 | (32) | (21) |
| Sale of Investment – Impairment Reversal | | 35,933 | - |
| Impairment Charge | | - | (361,016) |
| Dividend received | 4 | 20,942 | - |
| Finance costs (net) | 5 | (5,613) | (5,255) |
| Profit/ (Loss) before taxation | | 51,230 | (366,292) |
| Tax (charge)/credit on loss | 7 | (357) | 284 |
| Profit/(Loss) for the financial year | | 50,873 | (366,008) |

The accounting policies and notes on pages 14 to 21 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

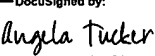
Balance sheet

As at 30 September 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Investments | 8 | - | 76,351 |
| | | - | 76,351 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 9 | 4,015 | 4,671 |
| | | 4,015 | 4,671 |
| Creditors: amounts due within one year | 10 | (189,983) | (317,863) |
| Net current liabilities | | (185,968) | (313,192) |
| Total assets less current liabilities, being net (liabilities) | | (185,968) | (236,841) |
| Capital and reserves | | | |
| Called up share capital | 11 | 50 | 50 |
| Share premium Account | 11 | 174,736 | 174,736 |
| Profit and loss account | 11 | (360,754) | (411,627) |
| Shareholder's (deficit) | | (185,968) | (236,841) |

The accounting policies and notes on pages 14 to 21 form part of the financial statements.

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 30th May 2023. They were signed on its behalf by:

DocuSigned by:

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A Tucker
 Director

Cabot Activated Carbon Holdings UK Limited

Statement of changes in equity For the year ended 30 September 2022

| | Called up share capital | Share premium | Profit and loss account | Total |
|------------------------------------|----------------------------|------------------|-------------------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1 October 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) |
| Profit for the financial year | - | - | 50,873 | 50,873 |
| Total comprehensive Income | - | - | 50,873 | 50,873 |
| At 30 September 2022 | 50 | 174,736 | (360,754) | (185,968) |

The accounting policies and notes on pages 14 to 21 form part of the financial statements

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2022

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 and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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 2022 the Company had net current liabilities \$185,968,000 (2021: \$313,192,000) and Total net liabilities of \$185,968,000 (Net liabilities 2021: \$236,841,000). 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.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2022 (continued)

1 Accounting policies (continued)

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.

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.

Debt instruments which comply with all of the condition of FRS102 are classified as 'basic'. Instruments classified as 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2022 (continued)

Financial instruments (continued).

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the company, 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.

1 Accounting policies (continued)

(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: SONIA settings for USD have replaced LIBOR as at the 1st October 2021. The company is exposed to SONIA in its group undertakings relating to intercompany debtors and creditors. 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.

Interest Income

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.

Interest Payable

Interest payable comprises of interest payable on intercompany lending and is calculated using the applicable interest rates. Interest payable costs are expensed in the period in which they are incurred.

Share Premium

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

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.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2022 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

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 include valuation of any investments.

3 Operating Loss

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

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Fees payable to the company's auditor for the audit of the company's annual financial statements | 7 | 8 |

There were no fees payable to Menzies LLP and their associates for non-audit services (2021: \$nil).

4 Dividend Income

Income was received from dividends of \$20,942,000 (2021: \$nil).

5 Finance costs (net)

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Interest payable on inter-company loans | 5,674 | 5,256 |
| Interest receivable on inter-company loans | (9) | (1) |
| Exchange Gain/Loss | (52) | - |
| | 5,613 | 5,255 |

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2022 (continued)

6 Staff numbers and costs

There were no employees, other than the directors, in the company in either year. The directors received no remuneration for their services to the company (2021: \$nil).

7 Tax on loss

| The tax charge/(credit) comprises: | 2022 | 2021 |
|---|------------|--------------|
| | \$'000 | \$'000 |
| Current tax on profit/loss | | |
| UK corporation tax | 357 | (284) |
| Tax charge/(credit) for the year | 357 | (284) |

The tax charge/(credit) for the year is less than (2021: less than) the standard rate of corporation tax of 19% (2021: 19%).

| | 2022 | 2021 |
|--|------------|--------------|
| | \$'000 | \$'000 |
| Loss before tax | 51,230 | (366,292) |
| Tax on loss at the rate of UK corporation tax of 19% (2021: 19%) | 9,734 | (69,595) |
| Effects of: | | |
| Amounts overprovided in previous years | 357 | 133 |
| Expenses not allowed for tax purposes | (9,734) | 69,178 |
| Current tax charge/(credit) for the year | 357 | (284) |

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2022 (continued)

8 Fixed asset investments

The sale of the Purification business, Norit, has now reduced the total fixed asset investment down to nil.

| Shares in group undertakings at cost | 2022 |
|--|-----------|
| | \$'000's |
| Cost and net book value 1 October 2021 | 437,366 |
| Disposals | (437,366) |
| Cost at 30 September 2022 | - |
| Impairment 1 October 2021 | (361,015) |
| Impairment Reversal | 35,932 |
| Impairment on Disposal | 325,083 |
| Impairment at 30 September 2022 | - |
| Net Book Value September 2022 | - |
| Net Book Value September 2021 | 76,351 |

Investments in subsidiary undertaking

As at 30 September 2022 the company no longer held any share capital of Cabot Activated Carbon B.V as it was sold to a company outside of the Cabot Group in March 2022.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2022 (continued)

9 Debtors

| | 2022 | 2021 |
|------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Amounts due within one year | | |
| Amounts owed by group undertakings | 4,015 | 418 |
| Other Debtors- Income Taxes | - | 4,253 |
| | 4,015 | 4,671 |

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

| | 2022 | 2021 |
|-----------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Accruals | 1,042 | 15 |
| Amounts due to group undertakings | 367 | 454 |
| Bank loans and overdrafts | 188,574 | 317,394 |
| | 189,983 | 317,863 |

Amounts due to group undertakings are interest-bearing and based on SONIA plus rates ranging from 0.6% to 1.0%. Amounts are repayable on demand. As detailed further within the accounting policy note.

Cabot Activated Carbon Holdings UK Limited

Notes to the financial statements for the year ended 30 September 2022 (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 | 2022 | 2021 |
|---|--------|--------|
| | \$ | \$ |
| 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.

Share Premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses. Share Premium remains at \$174,376,000.

Reserves

The profit and loss deficit of \$360,754,000 (2021: \$411,627,000) represents cumulative profits and losses. This deficit includes a dividend received from Cabot Activated Carbon BV of \$20,942,000.

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.