

**Sibelco Minerals and Chemicals (Holdings)
Limited**

**Directors' report and financial
statements**

Registered number 495403

Year ended 31 December 2020

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Directors' report

The directors present their report and financial statements for the year ended 31 December 2020.

Business review and principal activity

Sibelco Minerals and Chemicals (Holdings) Limited operates as a holding company for the mineral companies within the UK SCR Sibelco NV group. During the year the Company received interest on its cash balances from other group companies of £nil (2019: nil) and produced a profit for the year of £nil (2019: nil).

Principal risks and uncertainties

The company is non-trading and its only activities are the receipt and payment of dividends through the Sibelco group.

See note 1 to the financial statements for details of the going concern status of the company.

Dividend

During the year the Company has not declared or paid a dividend to the company's immediate parent company and controlling party, Watts Blake Bearne & Co Ltd, (2019: nil).

Capital management

The company defines capital as its net assets, or equity. At the reporting date, the company had no debt, but had an intercompany cash pooling surplus. Detailed cash flow forecasts are prepared at a Group level on a monthly basis with the objective of alerting senior management to potential future risks and enabling them to manage the company's capital effectively. The group cash pooling arrangements allow for surplus capital to be fully utilised and shortfalls in capital to be met.

Going Concern

The Directors have considered the net current liability position of £11.6m (2019: £11.6m) and have continued to adopt the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID-19. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant impact on the Company.

The directors have also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Sibelco Minerals and Chemicals (Holdings) Limited, i.e. SCR Sibelco NV, has provided a letter of support covering the period up to 31st December 2022. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The following is a list of all persons who were directors of the Company at any time between 1 January 2020 and the date of this report:

MC James
JW van Put

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report (*continued*)

Small companies exemption

The Directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 in not preparing a Strategic Report.

By order of the board



MC James
Director

Date: 20/12/2021

Brookside Hall
Congleton Road
Sandbach
Cheshire
CW11 4TF

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether international accounting standards in conformity with the requirements of the Companies Act 2006 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIBELCO MINERALS AND CHEMICALS (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Sibelco Minerals and Chemicals (Holdings) Limited for the year ended 31 December 2020 which comprise of the Income statement, Statement of comprehensive income, Statement of changes in equity, Statement of financial position, Cash flow statement and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 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 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

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 with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIBELCO MINERALS AND CHEMICALS (HOLDINGS) LIMITED (Continued)

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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 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 3, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIBELCO MINERALS AND CHEMICALS (HOLDINGS) LIMITED (Continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

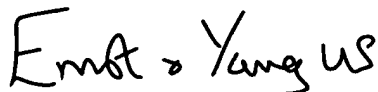
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom in addition the Company has to comply with laws and regulations relating to its operations and health and safety.
- We understood how Sibelco Minerals and Chemicals (Holdings) Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override as a fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of documentation, testing of specific journals identified based upon our defined risk criteria and enquiries of management for correspondence with relevant authorities. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with the requirements of the relevant accounting standards and UK legislation.

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

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.



Julian Yates (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

20 December 2021

Income statement
for the year ended 31 December 2020

	<i>Note</i>	2020 £	2019 £
Finance income	4	-	-
Profit before taxation		-	-
Taxation	5	-	-
Profit for the year	11	-	-

The above results derive from continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

Statement of comprehensive income
for the year ended 31 December 2020

	2020 £	2019 £
Profit for the year	-	-
Total comprehensive income for the period	-	-
Total comprehensive income is attributable to:		
Equity shareholders	-	-

Statement of changes in equity
for the year ended 31 December 2020

	Share capital £	Share premium account £	Capital Reserve £	Profit and loss account £	Total £
At 1 January 2019	1,200,002	11,218,274	493,460	1,119	12,912,855
Total comprehensive income for the year	-	-	-	-	-
Dividend	-	-	-	-	-
At 1 January 2020	1,200,002	11,218,274	493,460	1,119	12,912,855
Total comprehensive income for the year	-	-	-	-	-
Dividend	-	-	-	-	-
At 31 December 2020	1,200,002	11,218,274	493,460	1,119	12,912,855

The notes on pages 11 to 19 form part of these financial statements.

Statement of financial position
at 31 December 2020

	<i>Note</i>	2020 £	2019 £
Non-current assets			
Investments	6	24,485,604	24,485,604
Current assets			
Cash and cash equivalents including amounts held	7	-	-
Total assets		<u>24,485,604</u>	<u>24,485,604</u>
Current liabilities			
Trade and other payables	8	(11,572,696)	(11,572,696)
Tax payable		(53)	(53)
Total liabilities		<u>(11,572,749)</u>	<u>(11,572,749)</u>
Net current liabilities		<u>(11,572,749)</u>	<u>(11,572,749)</u>
Net assets		<u>12,912,855</u>	<u>12,912,855</u>
Equity			
Called up share capital	10	1,200,002	1,200,002
Share premium account	11	11,218,274	11,218,274
Capital reserve	11	493,460	493,460
Profit and loss account	11	1,119	1,119
Total equity		<u>12,912,855</u>	<u>12,912,855</u>

These financial statements were approved by the board of directors on behalf by:

December 2021 and were signed on its

M.C. James

20/12/2021

MC James
 Director

The notes on pages 11 to 19 form part of these financial statements

Cash flow statement
for the year ended 31 December 2019

	<i>Note</i>	2020		2019	
		£	£	£	£
Cash flow from operating activities					
Profit before taxation		-		-	
<i>Adjustments for:</i>					
Financial income		-		-	
Decrease in Payables		-		-	
		<hr/>		<hr/>	
Cash flow generated from operations		-		-	
Taxation received		-		-	
Net cash flow used in operating activities					-
Cash flow from investing activities					
Interest received		-		-	
Net cash used in investing activities			-		-
Cash flow from financing activities					
Dividend received from subsidiary undertakings		-		-	
Dividend paid to Company's shareholder		-		-	
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents in the year			=		=
Cash and cash equivalents at 1 January			-		-
		<hr/>		<hr/>	
Cash and cash equivalents at 31 December		0		0	
		<hr/>		<hr/>	

The notes on pages 11 to 19 form part of these financial statements

Cash and cash equivalents are held with fellow group undertakings.

Notes

(forming part of the financial statements)

1 Accounting policies

Sibelco Minerals and Chemicals (Holdings) Limited (the "Company") is a company incorporated and domiciled in the UK.

Basis of preparation

The financial statements have been prepared under the historical cost convention and approved by the directors in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The Directors have considered the net current liability position of £11.6m (2019: £11.6m) and have continued to adopt the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID-19. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant impact on the Company.

The directors have also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Sibelco Minerals and Chemicals (Holdings) Limited, i.e. SCR Sibelco NV, has provided a letter of support covering the period up to 31st December 2022. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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

Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

The Company only lists and addresses those new and amended standards and interpretations that are relevant to the Company's financial position, performance and/or disclosures.

The nature and the impact of each new standard and amendment is described below:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments were considered in the business combinations that occurred in 2020 but had no impact on the consolidated financial statements of the Company, but may impact future periods should the Group enter into any new business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These

amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Company.

Consolidated financial statements

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Investments

Investments are stated at cost less provisions for any permanent diminution in value.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. A central component of the company's treasury policy is that cash balances and bank overdrafts are held with a fellow group undertaking, to maximise financial benefits to the company and its ultimate parent undertaking. All cash balances, overdrafts, loans and borrowings between the companies in the SCR-Sibelco NV group are organised on an arm's length basis, being interest bearing at relevant market rates.

Notes (continued)

1 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities with group companies are initially recognised at fair value which is equal to cost at inception.

Adopted IFRS not yet applied

The IASB and IFRIC have issued a number of new and revised standards and interpretations with an effective date after the date of these financial statements. Their adoption is not expected to have a material effect on the financial statements of the Company.

2 Employee costs and Directors' remuneration

The Company had no employees in the current or prior year. The Directors are Directors of other group companies. Their services to this Company are inconsequential hence no remuneration is attributable to this Company.

3 Auditor's remuneration

No expense is recognised in the income statement for the audit of these financial statements or other services. These costs are borne by other group undertakings (2019: £nil).

4 Finance Income

	2019 £	2018 £
Interest Received	-	-
	=	=

Notes (continued)

5 Taxation

	2020 £	2019 £
<i>Recognised in the income statement</i>		
Current tax expense on profit for the year	-	-
	<hr/>	<hr/>
Current tax expense	-	-
	<hr/>	<hr/>
Total tax in income statement	-	-
	<hr/>	<hr/>
	2020 £	2019 £
<i>Reconciliation of effective tax rate</i>		
Profit before tax	-	-
	<hr/>	<hr/>
Tax using UK corporation tax rate of 19.00% (2019: 19%)	-	-
Adjustments to tax charge in respect of previous years	-	-
Tax exempt revenue	-	-
	<hr/>	<hr/>
Total tax in income statement	-	-
	<hr/>	<hr/>

The company has a brought forward capital loss of £0 available to carry forward against future capital profits (2019: nil). No deferred tax asset has been recognised on the grounds that recovery is uncertain (2019: £nil).

Notes (continued)

6 Investments

	Shares in subsidiary undertakings £
Shares	
Cost	
At 1 January 2019	24,617,000
At 31 December 2016, 2017, 2018, 2019 and 2020	<u>24,617,000</u>
Provisions	
At 1 January 2019, 31 December 2019 and 31 December 2020	<u>(131,396)</u>
Net book value	
At 1 January 2019	24,485,604
At 31 December 2019 and 31 December 2020	<u>24,485,604</u>

The company has the following investments in subsidiaries:

Company	Country of incorporation or registration
Sibelco UK Limited	England

The Company holds 100% of the issued ordinary share capital of its subsidiary.

In the opinion of the directors, the aggregate value of the investment in the Company's subsidiary is not less than the aggregate of the amount at which those assets are stated in the statement of financial position.

7 Financial Assets

	2020 £	2019 £
Cash and cash equivalents held with fellow group undertakings	-	-

Notes (continued)

8 Trade and other payables

	2020 £	2019 £
<i>Amounts payable within one year</i>		
Amount owed to parent undertaking	11,572,696	11,572,696
	<u>11,572,696</u>	<u>11,572,696</u>

9 Financial instruments

The Company's financial assets and financial liabilities are set out below

	2020 £	2019 £
Financial assets		
Cash and cash equivalents held with fellow group undertakings	-	-
Financial liabilities		
Amounts owed to parent undertaking	(11,572,696)	(11,572,696)

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Detailed cash flow forecasts are prepared on a monthly basis at a Group level with the objective of alerting senior management to potential future risks. The company operates its banking facilities within a Group Cash Pooling arrangement, mitigating the effects of liquidity risks.

At 31 December the Company was contractually obliged to make repayments of principal and payments of interest as detailed below.

	Carrying amount £	Contractual cash flows £	Within one year or on demand £	1-2 years £	3-5 years £	More than 5 years £
2020						
Amounts owed to parent undertaking	11,572,696	11,572,696	11,572,696	-	-	-
	<u>11,572,696</u>	<u>11,572,696</u>	<u>11,572,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
2019						
Amounts owed to parent undertaking	11,572,696	11,572,696	11,572,696	-	-	-
	<u>11,572,696</u>	<u>11,572,696</u>	<u>11,572,696</u>	<u>-</u>	<u>-</u>	<u>-</u>

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. At 31 December 2020 the Company had no financial assets which were past due (2019: £nil) and the Company had no allowance for doubtful receivables (2019: £nil). Due to the Company's principal activity as a holding company and provider of services to other companies in the Sibelco group, it has few third party receivables.

Notes (continued)

9 Financial instruments (continued)

Foreign currency risk management

The Company has no exposure to foreign currency risk at the year end (2019: £nil).

Interest rate risk management

The Company has no exposure to interest rate risk at the year end (2019: £nil).

Capital management

The company defines capital as its net assets, or equity. At the reporting date, the company had no debt other than the interest bearing borrowings from another group undertaking as outlined above. Detailed cash flow forecasts are prepared on a monthly basis with the objective of alerting senior management to potential future risks and enabling them to manage the company's capital effectively. The group cash pooling arrangements allow for surplus capital to be fully utilised and shortfalls in capital to be met.

10 Share capital

	2020 £	2019 £
1,200,002 Ordinary shares of £1 each: Authorised, allotted, called up and fully paid	1,200,002	1,200,002

11 Reserves

	Share premium account £	Capital reserve £	Profit and loss account £
At 1 January 2019	11,218,274	493,460	1,119
Profit for the year	-	-	-
At 31 December 2019	<u>11,218,274</u>	<u>493,460</u>	<u>1,119</u>
At 1 January 2020	<u>11,218,274</u>	<u>493,460</u>	<u>1,119</u>
Profit for the year	-	-	-
At 31 December 2020	<u>11,218,274</u>	<u>493,460</u>	<u>1,119</u>

12 Related party transactions

The following transactions were carried out with fellow group and subsidiary undertakings:

	2020 £	2019 £
Interest receivable	-	-
Dividend received	-	-9
Dividends payable	-	-

Notes (continued)

12 Related party transactions (continued)

The year-end balances with related parties are as follows:

	2020 £	2019 £
Investments in subsidiary undertakings (net of impairments)	24,485,604	24,485,604
Cash and cash equivalents held with fellow group undertakings	-	-
Group relief payable to fellow group and subsidiary undertakings	-	-
Amount owed to parent undertaking	11,572,696	11,572,696

Compensation of key management personnel

The Company had no employees in the current or prior year.

13 Ultimate parent company and parent company of larger group

The company's immediate parent company and controlling party is Watts Blake Bearne & Co Limited, registered in England and Wales. Copies of the Watts Blake Bearne & Co Limited financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The smallest and largest group in which the results of the company are consolidated is that of the ultimate parent undertaking and controlling related party, SCR Sibelco NV. This company is incorporated in Belgium, with its consolidated financial statements available from Balanscentrale, at Nationale Bank van België, Balanscentrale, de Berlaimontlaan 14, 1000 Brussel.