Registered No. 2672031

Deepstore Limited

Report and Accounts

31 December 2019

Report and Accounts
for the year ended 31 December 2019

Directors and Advisors

Directors
B G Dunn
R S Thomson

Secretary
R S Thomson

Auditors
Ernst & Young LLP
2 St Peter's Square
Manchester M2 3EY

Bankers
Bank of Scotland
33 Old Broad Street
London
EC2N 1HZ

Solicitors
JMW Solicitors LLP
1 Byrom Place
Manchester M3 3HG

Registered Office
Astbury House
Bradford Road
Winsford
Cheshire
United Kingdom
CW7 2PA

Registered No. 2672031

Strategic report

The directors present their Strategic report for the year ended 31 December 2019.

Principal activities and review of the business

The company is currently non-trading and is expected to continue as such.

Key financial indicators

The company's key financial indicators in the year were as follows:

	2019	2018	Change
	£'000	£'000	%
Profit for the year after tax	54	54	0
Net assets	3,457	3,403	+2

The company has not traded during the year and has no trading subsidiary companies.

Principal risks and uncertainties

On 31 January 2020 the World Health Organisation (WHO) declared a public health emergency relating to the outbreak of Covid-19 across the world. This has severely affected many economies as businesses were temporarily forced to close or limit their operations.

The Covid-19 crisis has had limited impact on the business operations of the Company as discussed in note 2 to the accounts.

Financial risk management policies

The company makes no use of financial instruments. Exposure to price, credit, currency, liquidity and cash flow risks is not material to the assessment of assets, liabilities and profit or loss of the company.

On behalf of the board

R S Thomson
Director

23 April 2021

Directors' report

The directors present their report for the year ended 31 December 2019.

Dividends

The directors do not intend to declare a dividend in respect of the year (2018: £Nil).

Going concern

The Directors have assessed the principal risks and uncertainties, including the ongoing Covid-19 crisis in preparing their forecasts to support the going concern conclusion. Forecasts have been prepared for the period to 31 December 2022. The company manages its short term working capital requirements through the amounts due to or owed from other group companies. Consequently, the Directors have requested and received written confirmation from the ultimate parent undertaking Compass Minerals International Inc that it will provide financial support to the Company to enable it to meet its liabilities as they fall due for a period of 20 months from the date of approval of the financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

Directors

B G Dunn and R S Thomson held office for the whole of the year to 31 December 2019.

Directors' insurance

The company maintains insurance for the directors of the company in respect of their duties as directors.

Taxation status

The company was not a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Employees

The company has no employees. The activities are carried out by employees of other group companies.

Political or charitable contributions

The company has made no political or charitable contributions in the year (2018: £Nil).

Future development of the business

The company will continue to operate as the holding company for its subsidiary companies.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to as a director in order to have made himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Post-balance sheet events

The impact of Covid-19 is discussed in note 14 to the financial statements.

Directors' report (continued)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board

R S Thomson
Director
23 April 2021

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report and 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 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). 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report

to the members of Deepstore Limited

Opinion

We have audited the financial statements of Deepstore Limited for the year ended 31 December 2019 which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes 1 to 14, including the 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 FRS 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 company's affairs as at 31 December 2019 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report below. 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.

Emphasis of matter - Effects of COVID-19

We draw attention to notes 2 and 14 of the financial statements which describes the potential economic disruption the company may face as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information.

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 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 directors' report have 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 strategic report or 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 5 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 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

Independent auditor's report (continued)

to the members of Deepstore Limited

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.

Ernst & Young LLP

Anne Wong (Senior statutory auditor)
for and on behalf of Ernst & Young LLP (Statutory Auditor)
Manchester

23 April 2021

Statement of income and retained earnings
for the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover		-	-
Other operating income		-	-
Operating profit		-	-
Interest receivable	5	66,969	66,969
Profit on ordinary activities before taxation	3	66,969	66,969
Tax charge on profit on ordinary activities	6	12,724	12,724
Profit for the financial year	9	54,245	54,245
Retained earnings at 1 January		3,175,729	3,121,484
Retained earnings at 31 December		3,229,974	3,175,729

All amounts relate to continuing activities.

Registered No: 2672031

Statement of financial position at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors	7	**3,457,155**	3,402,910
Cash at bank and in hand		-	-
Net current assets		**3,457,155**	3,402,910
Total assets less current liabilities		**3,457,155**	3,402,910
Net assets		**3,457,155**	3,402,910
Capital and reserves			
Called up share capital	8	**10,000**	10,000
Profit and loss account	9	**3,229,974**	3,175,729
Capital reserve	9	**217,181**	217,181
Total equity shareholders' funds		**3,457,155**	3,402,910

The financial statements were approved by the board of directors on 23 April 2021 and were signed on its behalf by:

R S Thomson
Director

Notes to the financial statements

for the year ended 31 December 2019

1 Company information

DeepStore Limited is a limited liability company incorporated in England, registration number 2672031 and its registered office is Astbury House, Bradford Road, Winsford, Cheshire, United Kingdom CW7 2PA. The nature of its operations and principal activities are set out in the directors' strategic report.

2 Basis of preparation and principal accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard FRS 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The financial statements are presented in Sterling (£).

The accounts present information about the company as an individual undertaking and not about its group. The directors consider that the company is a qualifying entity in accordance with the conditions for exemption under the Companies Act 2006 section 401 and Financial Reporting Standard FRS 102 section 1 as it is a wholly owned subsidiary of Compass Minerals International, Inc. incorporated in the USA, which produces consolidated financial statements that comply with US Generally Accepted Accounting Principles. These accounts are publicly available from the address in note 11.

The directors have adopted the following disclosure exemptions:

a) presentation of consolidated financial statements (FRS 102.9.3)
b) requirement to present a statement of cash flows (FRS 102 section 7)
c) financial instrument disclosures (FRS 102.11.39-48A and FRS 102.12.26-29)
d) related party transactions (FRS 102.33.1a)

Going concern

The Directors have assessed the principal risks and uncertainties, including the ongoing Covid-19 crisis in preparing their forecasts to support the going concern conclusion. Forecasts have been prepared for the period to 31 December 2022. The company manages its short term working capital requirements through the amounts due to or owed from other group companies. Consequently, the Directors have requested and received written confirmation from the ultimate parent undertaking Compass Minerals International Inc that it will provide financial support to the Company to enable it to meet its liabilities as they fall due for a period of 20 months from the date of approval of the financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

COVID-19

Since the balance sheet date, the COVID-19 pandemic has spread across the world.

The COVID-19 pandemic has, at the time of approving these financial statements, had no adverse impact on the Company as it is a non-trading subsidiary company.

As a non-trading subsidiary company, the only impact that COVID-19 can have on the Company is in the performance of other Group trading companies, however this has been minimal, largely due to the essential nature of their supplies.

Significant judgements and estimates

Preparation of the financial statements requires the directors to make significant judgements and estimates. In this respect the directors consider that the amount provided against the fixed asset investments is adequate with regard to the performance of its underlying businesses.

Notes to the financial statements (continued)

for the year ended 31 December 2019

Debtors and creditors

Debtors and creditors receivable or payable within one year are recorded at transaction price less any impairment and any loss arising from impairment is recognised in other operating expenses.

Consolidated financial statements

It is the opinion of the directors that consolidated financial statements for the company and its subsidiaries need not be prepared. The directors consider that the company is a qualifying entity in accordance with the conditions for exemption under the Financial Reporting Standard FRS 102 as it is a wholly owned subsidiary of Compass Minerals International, Inc. incorporated in the USA, which produces consolidated financial statements that comply with US Generally Accepted Accounting Principles. These accounts are publicly available from the address in note 11.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period. Exchange gains or losses are taken to the profit and loss account in the financial period in which they arise. Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into except for transactions to be settled at a contractual rate which are translated at these contracted rates.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be recovered (or paid) using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.
Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income tax and expenses in tax assessment in periods different from those in which they are recognised in the financial statements, except that:

- unrelieved tax assets and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash flow statement

The directors consider that the company is a qualifying entity in accordance with the exemption provided in Financial Reporting Standard FRS 102, and a cash flow statement is not included in these accounts. The company is a wholly owned subsidiary of Compass Minerals International, Inc. which has prepared a consolidated cash flow statement, including the cash flows of the company, in its accounts. These are publicly available from the address in note 11.

3 Profit on ordinary activities before taxation

Auditors' remuneration is included in the accounts of a fellow group undertaking.
There were no non-audit fees in either year.

4 Directors' emoluments

The directors of the company are also directors of fellow group companies. The directors received no remuneration from the company but are paid by Compass Minerals UK Limited, a fellow group subsidiary. Their services as directors of this company are inconsequential to their other roles hence no remuneration is disclosed.

Notes to the financial statements (continued)

for the year ended 31 December 2019

5 Interest receivable

	2019	2018
	£'000	£'000
Loans to parent undertakings	**66,969**	66,969
	66,969	66,969

6 Tax

(a) Tax on profit on ordinary activities
The tax charge is made up as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax at 19% (2018: 19%)	**12,724**	12,724
Total current tax charge	**12,724**	12,724
Deferred tax:		
Total deferred tax	-	-
Total tax charge on loss on ordinary activities (note 6(b))	**12,724**	12,724

(b) Factors affecting the current tax charge

The tax assessed on the loss on ordinary activities for the year is at the standard rate of corporation tax in the UK of 19% (2018: 19.25%). Any difference is explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	**66,969**	66,969
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%).	**12,724**	12,724
Total current tax charge (note 6(a))	**12,724**	12,724

(c) Factors that may affect future tax charges

The Finance Act 2016 included a reduction in the main rate of UK corporation tax from 19% to 17% from 1 April 2020. However, it was announced that the cut in the tax rate to 17% will now not occur and the UK Corporation Tax Rate will instead remain at 19%. As this was not substantively enacted by the balance sheet date, deferred tax balances as at 31 December 2019 continue to be measured at 17%. The rate of change will affect the size of the Company's deferred tax assets and liabilities in the future.

Notes to the financial statements (continued)

for the year ended 31 December 2019

7 Debtors

	2019	2018
	£	£'
Amount due from parent undertakings	**3,456,963**	3,402,719
Other debtors	**192**	191
	3,457,155	3,402,910

8 Called up share capital

	2019	2018
	£	£
Issued		
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	**10,000**	10,000

9 Reserves

	Capital reserve	**Profit and loss account**
	£	**£**
At 1 January 2019	**217,181**	3,175,729
Profit for the year	-	54,245
At 31 December 2019	**217,181**	3,229,974

10 Financial risk management

The company expects to mitigate liquidity risk through managing operating cash flows and the available facility of intra-group borrowing.

Notes to the financial statements (continued)

for the year ended 31 December 2019

11 Ultimate controlling party

The directors regard Compass Minerals International, Inc. of Kansas, USA, as the ultimate parent and controlling party.

The company's ultimate domestic parent and controlling party is Compass Minerals (Europe) Limited for which Compass Minerals International, Inc. is the parent undertaking and for which group accounts are drawn up. Copies of these accounts can be obtained from its registered office at 9900 West 109th Street, Overland Park, Kansas, 66210, USA.

12 Related parties

The group has taken advantage of the exemption available under FRS 102 in order not to disclose intra-group transactions. There are no other related party transactions requiring disclosure.

13 Contingent liability

(i) Revolving credit facility/term loans

Credit Agreement

In November 2019, the Ultimate Parent Company ("UPC") entered into an agreement to amend and restate its credit agreement (the "2019 Credit Agreement"), which matures in January 2025. The 2019 Credit Agreement provides for senior financing consisting of a $400 million term loan facility and a $300 million revolving credit facility. The term loan is repayable in quarterly instalments of interest and principal beginning in March 2020 with principal payments equal to 2.5% per year during the first 2 years and 5% per year during the final 3 years. The UPC may elect for the credit facility to bear interest at either an alternate base rate or an adjusted eurocurrency bank deposit rate plus, in each case, an interest rate margin, based upon a defined consolidated leverage ratio. The outstanding term loan can be prepaid at any time without penalty. Prior to the 2019 Credit Agreement, the UPC's credit consisted of two senior secured term loans and a senior secured revolving credit facility which matured in July 2021. Interest on the UPC's borrowings under the previous outstanding credit agreement was variable based on either the LIBOR or a base rate (defined as the greater of a specified U.S. or Canadian prime lending rate or the federal funds effective rate, increased by 0.5%) plus a margin which was dependent upon the UPC's leverage ratio and the type of the term loan borrowing. As of December 31, 2019, the weighted average interest rate was 3.8% on all borrowings outstanding under the 2019 Credit Agreement. Both credit agreements require the UPC to maintain certain financial ratios, including a minimum interest coverage ratio and a maximum total leverage ratio.

Under the revolving credit facility, up to $40 million may be drawn in Canadian dollars and $10 million may be drawn in British pounds sterling. Additionally, the revolving credit facility includes a sub-limit for short-term letters of credit in an amount not to exceed $50 million. As of December 31, 2019, there was $160.0 million outstanding under the revolving credit facility, and, after deducting outstanding letters of credit totalling $10.5 million, the UPC's borrowing availability was $129.5 million. The UPC incurs participation fees related to its outstanding letters of credit and commitment fees on its available borrowing capacity. The rates vary depending on the UPC's leverage ratio. Bank fees are not material.

In connection with the 2019 Credit Agreement, the UPC paid $4.1 million of fees ($3.8 million was capitalised as deferred financing costs with $0.3 million recorded as an expense). The UPC also wrote-off $0.3 million of previously capitalised deferred financing costs as part of this refinancing.

In December 2018, the UPC entered into an amendment to its credit agreement, which eased restrictions in certain covenants contained in the agreement. In connection with this amendment, the UPC paid fees totalling $1.4 million ($1.4 million was capitalised as deferred financing costs with less than $0.1 million recorded as an expense).

Notes to the financial statements (continued)

for the year ended 31 December 2019

Senior Notes

In November 2019, the UPC also issued $500 million 6.75% Senior Notes due December 2027 (the "6.75% Notes"), which are subordinate to the 2019 Credit Agreement borrowings. The 6.75% Notes are unsecured obligations and are guaranteed by certain of the UPC's domestic subsidiaries. Interest on the 6.75% Notes is due semi-annually in June and December beginning in 2020. The 6.75% Notes are subordinated to all existing and future indebtedness.

In connection with the 6.75% Notes, the UPC paid $8.2 million of fees, all of which were capitalised as deferred financing costs.

The 4.875% Senior Notes due July 2024 (the "4.875% Notes") are subordinate to the 2019 Credit Agreement borrowings. Interest on the 4.875% Notes is due annually in January and July. The 2019 Credit Agreement and the agreements governing the 4.875% Notes and the 6.75% Notes and other indebtedness contain covenants that limit the UPC's ability, among other things, to incur additional indebtedness or contingent obligations or grant liens; pay dividends or make distributions to stockholders; repurchase or redeem the UPC's stock; make investments or dispose of assets; prepay, or amend the terms of certain junior indebtedness; engage in sale and leaseback transactions; make changes to the UPC's organisational documents or fiscal periods; grant liens on the UPC's assets or make certain intercompany dividends, investments or asset transfers; enter into new lines of business; enter into transactions with the UPC's stockholders and affiliates; and acquire the assets of or merge or consolidate with other companies.

Other Debt

As of December 31, 2019, the UPC had $120.8 million of loans related to Compass Minerals South America, which have maturity dates ranging from March 2020 through November 2023 and bear interest at rates of either a percentage of CDI, an overnight inter-bank lending rate in Brazil, or LIBOR plus a margin. A portion of the loans are denominated in U.S. dollars and a portion of the loans are denominated in Brazilian reais, Compass Minerals South America's functional currency. The UPC has entered into foreign currency swap agreements in relation to some of these loans whereby the UPC agreed to swap interest and principal payments on loans denominated in U.S. dollars for principal and interest denominated in Brazilian reais.

In the first quarter of 2019, the UPC entered into two Brazilian real-denominated loans totalling $18.0 million which matured in July and September of 2019, respectively. These loans bore interest at 123% and 128% of CDI, respectively. In the third quarter of 2019, the UPC entered into Brazilian real-denominated loans totalling $36.0 million which mature in July and September of 2021. These loans bear interest at 120% and 141% of CDI, respectively. During the fourth quarter of 2019, the UPC entered into two Brazilian real-denominated loans totalling $27.3 million which mature in September and December 2021. These loans bear interest at 126% and 129% of CDI, respectively. The UPC also refinanced a loan with Rabobank that expired during the fourth quarter of 2019 in the amount of $17.4 million with a new loan with the same principal that bears interest at 122% of CDI and matures in November 2021.

In the first quarter of 2018, the UPC entered into a new U.S. dollar denominated loan which matures in March 2020. No material fees were paid in connection with these transactions.

During the third quarter of 2018, the UPC paid off approximately $36 million of its Brazilian loans and entered into a new $20.0 million Brazilian loan. The new variable rate loan bears interest of 117.5% of CDI and matures in September 2020.

In the fourth quarter of 2018, the UPC entered into $18.4 million of loans in Brazil which bore interest at 133.1% of CDI and matured in June and October of 2019.

Notes to the financial statements (continued)

for the year ended 31 December 2019

(ii) Group guarantee

The UPC's 2019 Credit Agreement borrowings are secured by substantially all the existing and future U.S. assets of the UPC, the Goderich mine in Ontario, Canada, and capital stock of certain subsidiaries. As of December 31, 2019, the UPC was in compliance with each of its covenants under the 2019 Credit Agreement.

14 Post balance sheet events

The World Health Organisation (WHO) declared a public health emergency relating to the outbreak of Covid-19 across the world on the 31 January 2020.

Subsequent to the balance sheet date, the Company has monitored trade performance and relationships with external agencies such as customers and suppliers, in respect of itself directly and, because of the degree of inter-reliance between the UK entities, for the other Group entities. There has been no significant disruption in the supply of goods & services and no significant issues with receipts from customers. The fragmented nature of Group Companies' trade receivables, with no reliance placed on any single customer, mitigates the risk of a material loss.

The Directors do not foresee a change in trading conditions for the Company in the event that there is a deterioration in the situation regarding Covid-19 and have assessed its cashflow requirements enable it to support a going concern assessment for a period of at least 20 months from the date of the approval of the Company's financial statements.

No adjustments to the key estimates and judgements that impact the balance sheet as at 31 December 2019 have been identified.

As such, the Directors have determined that Covid-19 is a non-adjusting subsequent event. Accordingly, the financial position and results of operations, as of and for the year 31 December 2019, have not been adjusted to reflect its impact.