

Registration number: 04229276

Foseco Holding Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

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Foseco Holding Limited

Company Information

Directors	HJ Knowles
	SC Upcott
	IJ Lawson
Company secretary	D Murray
Registration number	04229276
Registered office	165 Fleet Street London EC4A 2AE
Incorporated	a Private Limited Company incorporated in England & Wales
Auditor	KPMG LLP 15 Canada Square London E14 5GL

Foseco Holding Limited

Strategic Report for the Year Ended 31 December 2016

The Directors present their Strategic Report for the year ended 31 December 2016.

Fair review of the business

Foseco Holding Limited (the "Company") is an investment holding Company for investments in group undertakings, and its investing activities during the year are detailed in the Investments note. The Directors do not envisage any change in the business of the Company in the foreseeable future.

The profit before tax for the year is £12,926,000 (2015: £13,814,000). The net assets for the year are £254,604,000 (2015: £241,177,000).

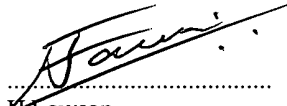
Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the following:

Financial counterparty risk

The treasury activities of the ultimate parent company, Vesuvius plc, are monitored and co-ordinated by a central treasury department on behalf of the whole Vesuvius group. This includes the risk of potential failure by counterparties holding cash deposits on behalf of group companies.

Approved by the Board on 14 September 2017 and signed on its behalf by:



H Lawson
Director

Foseco Holding Limited

Directors' Report for the Year Ended 31 December 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors of the company

The Directors who held office during the year were as follows:

HJ Knowles

KF Siow (resigned 21 December 2016)

SC Upcott (appointed 29 April 2016)

The following Director was appointed after the year end:

IJ Lawson (appointed 5 April 2017)

Dividends

The Directors do not recommend payment of a final dividend (2015: £nil).

Political donations

The Company made no political or charitable donations or incurred any political expenditure during the year.


Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Independent auditors

In accordance with section 485 of the Companies Act 2006, an ordinary resolution for the approval of the appointment of Mazars LLP as auditor of the Company will be presented to the shareholders following the signing of these financial statements. KPMG LLP remains the auditor for the year ended 31 December 2016.

Approved by the Board on 14 September 2017 and signed on its behalf by:


.....
IJ Lawson
Director

Foseco Holding Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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.

Foseco Holding Limited

Independent Auditor's Report to the Members of Foseco Holding Limited

We have audited the financial statements of Foseco Holding Limited for the year ended 31 December 2016, set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

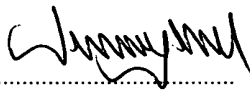
Foseco Holding Limited

Independent Auditor's Report to the Members of Foseco Holding Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



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Jeremy Hall (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
London
E14 5GL

14 September 2017

Foseco Holding Limited

Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Fixed asset investments (impairment)/reversal		-	600
Administrative expenses		<u>(331)</u>	<u>(114)</u>
Operating (loss)/profit	2	(331)	486
Income from shares in group undertakings		7,891	8,812
Other interest receivable and similar income	3	5,366	4,742
Interest payable and similar charges		<u>-</u>	<u>(226)</u>
Profit before tax		12,926	13,814
Tax on profit on ordinary activities	4	<u>501</u>	<u>(51)</u>
Profit for the year		<u><u>13,427</u></u>	<u><u>13,763</u></u>

The above results were derived from continuing operations.

Foseco Holding Limited

(Registration number: 04229276)
Balance Sheet as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
Non-current assets			
Intangible assets	5	1,570	1,901
Investments	6	66,551	66,549
Debtors	7	289,141	290,850
		<u>357,262</u>	<u>359,300</u>
Current assets			
Cash at bank and in hand		648	8,942
Creditors: Amounts falling due within one year			
Income tax liability	4	-	(681)
Net current assets		<u>648</u>	<u>8,261</u>
Total assets less current liabilities		357,910	367,561
Creditors: Amounts falling due after more than one year			
Creditors	8	(103,306)	(126,384)
Net assets		<u>254,604</u>	<u>241,177</u>
Capital and reserves			
Called up share capital	9	1	1
Share premium reserve		9	9
Capital redemption reserve		29,810	29,810
Profit and loss account		<u>224,784</u>	<u>211,357</u>
Shareholders' funds		<u>254,604</u>	<u>241,177</u>

Approved by the Board on 14 September 2017 and signed on its behalf by:



IJ Lawson
Director

Foseco Holding Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2016	1	9	29,810	211,357	241,177
Profit for the year	-	-	-	13,427	13,427
Total comprehensive income	-	-	-	13,427	13,427
At 31 December 2016	1	9	29,810	224,784	254,604
	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015	1	9	29,810	197,594	227,414
Profit for the year	-	-	-	13,763	13,763
Total comprehensive income	-	-	-	13,763	13,763
At 31 December 2015	1	9	29,810	211,357	241,177

The notes on pages 10 to 16 form an integral part of these financial statements.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework 'FRS 101'.

The amendments to FRS 101 (2014/15 and 2015/2016 Cycles) issued in July 2015 and June 2016 respectively and both effective on 1 January 2016 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 had no effect on the reported financial position, financial performance and cash flows of the Company.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of Key Management Personnel.

The Company's parent undertaking, Vesuvius plc includes the Company in its consolidated financial statements. The consolidated financial statements of Vesuvius plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 165 Fleet Street, London EC4A 2AE.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

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

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Summary of disclosure exemptions

Exemption from preparing a cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement as its cash flows are included within the consolidated cash flow statement of Vesuvius plc.

Exemption from preparing group accounts

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements since the Company is itself a wholly-owned subsidiary of Vesuvius plc. These financial statements present information about the Company as an individual undertaking and not about its group.

Amortisation

Intangible fixed assets are amortised on a straight-line basis over their estimated useful life.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

Fixed asset investments

Investments in subsidiary undertakings ('subsidiaries') and associated undertakings ('associates') are stated at cost, less any impairment in value.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet. Foreign exchange gains and losses arising on the retranslation of monetary assets and liabilities are reported in the P&L under other interest receivable and similar income and interest payable and similar charges respectively.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

2 Operating profit

Other than the Directors, the Company had no employees during the year (2015: nil). The Directors received remuneration of £nil (2015: £nil) in respect of services to the Company during the year. An allocated audit fee was borne by the ultimate parent undertaking, Vesuvius plc, of £4,000 (2015: £4,000).

3 Other interest receivable and similar income

	2016 £ 000	2015 £ 000
Interest receivable from group undertakings	4,926	4,608
Foreign exchange gains	440	134
	<u>5,366</u>	<u>4,742</u>

4 Income tax

Tax charged in the income statement

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax	<u>(501)</u>	<u>51</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015: lower than the standard rate of corporation tax in the UK) of 20% (2015: 20.25%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
Profit before tax	<u>12,926</u>	<u>13,814</u>
Corporation tax at standard rate	2,585	2,797
Increase (decrease) in current tax from adjustment for prior periods	(682)	-
(Decrease) from effect of revenues exempt from taxation	(1,356)	(1,573)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	66	(54)
Tax decrease from utilisation of tax losses	(1,295)	(1,170)
Increase from effect of foreign tax rates	<u>181</u>	<u>51</u>
Total tax (credit)/charge	<u>(501)</u>	<u>51</u>

Factors that may affect future tax charges

Further UK corporation tax rate reductions to 19% from 1 April 2017 and 17% from 1 April 2020, were substantively enacted on 6 September 2016.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

5 Intangible assets

	Trademarks, patents and licenses £ 000
Cost or valuation	
At 1 January 2016	6,617
At 31 December 2016	6,617
Amortisation	
At 1 January 2016	(4,716)
Amortisation charge	(331)
At 31 December 2016	(5,047)
Carrying amount	
At 31 December 2016	1,570
At 31 December 2015	1,901

6 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2016	66,549
Additions	2
At 31 December 2016	66,551
Carrying amount	
At 31 December 2016	66,551
At 31 December 2015	66,549

Details of the undertakings as at 31 December 2016 are as follows:

Name of undertaking	Country	Registered office
ECIL MET TEC LTDA*	Brazil	Blocks 1 and 2, No. 2001, Rua Benjamin da Silveira Baldy, State of São Paulo, City of Piedade, 18.170-000, Brazil
Foseco Foundry (China) Limited	China	Room 819, Shekou Zhaoshang building, Nanshan District, Shenzhen, China.
Foseco (FS) Limited	England & Wales	1 Midland Way, Central Park, Barlborough Links, DERBYSHIRE, S43 4XA, United Kingdom
Foseco (GB) Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Name of undertaking	Country	Registered office
Foseco Holding (South Africa) (Pty) Limited	South Africa	12, Bosworth Street, Alrode, Aberton, 1449, South Africa
Foseco India Limited*	India	922/923, Gat, Sanaswadi, Taluka, Shirur, Pune, 412208, India
Foseco Industrial e Comercial Ltda	Brazil	Km 15, Rodovia Raposo Tavares, Butanta Cep, Sao Paulo, 05577-100, Brazil
Foseco International Holding (Thailand) Limited*	Thailand	170/69, 22nd Floor Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand
Foseco Japan Limited	Japan	9th Floor, Orix Kobe Sannomiya Building, 6-1-10, Goko dori, Chuo-ku, Kobe Hyogo, 651-0087, Japan
Foseco Korea Limited	South Korea	74 Jeongju-ro, Wonmi-gu, Bucheon-si, Gyeonggi-do, 14523, South Korea
Foseco (MRL) Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Overseas Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Pension Fund Trustee Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Philippines Inc*	Philippines	Unit 401, 4th Floor 8 Antonio Centre, Prime St. Madrigal Business Park 2, Ayala Alabang Muntinlupa City, Philippines
Foseco (RUL) Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Steel (Holdings) China Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Steel (UK) Limited	England & Wales	1 Midland Way, Central Park, Barlborough Links, DERBYSHIRE, S43 4XA, United Kingdom
Foseco Technology Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Transnational Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco (UK) Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
PT Foseco Indonesia	Indonesia	2/5, Jalan Rawagelam, Kawasan Industry, Pulogadung, Jakarta Timur, 13930, Indonesia
PT Foseco Trading Indonesia Limited	Indonesia	Jalan Rawagelam 2 No 5, Kawasan Industri Pulo Gadung, Jakarta Timur, 13930

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Name of undertaking	Country	Registered office
Sidermes Sensores Termicos do Brasil Ltda*	Brazil	Estrada Municipal PDD 436, S/N, Prédio "C", Bairro da Boa Vista, Municipio de Piedade, Estado de São Paulo, Brazil
Vesuvius South Africa (Pty) Limited	South Africa	Pebble Lane, Private Bag X2, Olifantsfontein, Gauteng Province, 1665, South Africa
Tamworth UK Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Unicorn Industries Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Minerals Separation Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Holding International Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco (Thailand) Limited*	Thailand	170/69, 22nd Floor Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand

those marked with * are not wholly owned by Foseco Holding Limited

7 Trade and other receivables

	2016 £ 000	2015 £ 000
Amounts owed by group undertakings non current	<u>289,141</u>	<u>290,850</u>

8 Trade and other payables

	2016 £ 000	2015 £ 000
Amounts owed to group undertakings	<u>103,306</u>	<u>126,384</u>

9 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Related party transactions

As the Company is a wholly owned subsidiary of Vesuvius plc, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the Vesuvius plc group.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

11 Parent and ultimate parent undertaking

The company's immediate parent is Foseco (Jersey) Limited which is incorporated and registered in Jersey.

The most senior parent entity producing publicly available financial statements is Vesuvius plc. These financial statements are available upon request from the Company Secretary, Vesuvius plc, 165 Fleet Street, London EC4A 2AE.