

Registration number: 04229276

Foseco Holding Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2019

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COMPANIES HOUSE

Foseco Holding Limited

Company Information

Directors

HJ Knowles

G Godin

EO Gingell

Company secretary

J Smith

Registration number

04229276

Registered office

165 Fleet Street

London

EC4A 2AE

Incorporated

a Private Limited Company incorporated in England & Wales

Auditor

Mazars LLP

Tower Bridge House

St Katharine's Way

London

E1W 1DD

Foseco Holding Limited

Strategic Report for the Year Ended 31 December 2019

The Directors present their Strategic Report for the year ended 31 December 2019.

Fair review of the business

Foseco Holding Limited (the "Company") is a holding company for investments in group undertakings, and its investing activities during the year are detailed in the investments note (note 9). The Company has no employees. 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 £17.7m (2018: profit before tax of £12.2m). The net assets for the year are £296.9m (2018: £279.3m).

Given the straightforward nature of the Company's business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

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 limited nature of the Company's activities along with the internal controls and monitoring procedures serve to mitigate these risks. The key business financial 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.

Recoverability of intercompany receivables

Where amounts are due from group companies with net liabilities, an assessment of their recoverability is performed to ensure that they will be able to meet their obligations as they fall due.

Covid-19

In addition to the principal risks and uncertainties disclosed in the 2019 Annual Report and Financial Statements of Vesuvius plc and those noted above specific to this entity, the Group has considered the risks on the Group's liquidity and viability in connection with the Coronavirus pandemic (Covid-19), including those that may be relevant to the Company. The Group enters this uncertain period in a robust financial position, with a strong balance sheet and liquidity position as well as covenant headroom and is acting to conserve cash so that the Group remains well positioned for long term success. Although the full extent of the potential impact on our business, operations and the global economy as a whole is not yet clear, Group management continue to respond to the COVID-19 pandemic as effectively as possible. The COVID-19 pandemic has not materially impacted the Company's financial position or its performance at the date of these financial statements and is estimated to have a minimal impact on the Company particularly in relation to the valuation of investments held. This remains a matter of close attention for the Board.

Foseco Holding Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Brexit

Following the exit of the UK from the EU on 31 January 2020 under the Withdrawal Agreement, the UK is currently subject to a Transition Period which will run until the end of 2020 (unless extended).

Vesuvius has analysed the potential challenges posed by Brexit, including the possibility of a 'no trade deal' situation occurring at the end of 2020, and identified mitigation strategies to address those challenges.

For our customers located in the EU27 countries, most of our products are manufactured by Vesuvius outside the UK, so we would not envisage a material impact from Brexit after the Transition Period. For those customers located in the UK or located in the EU27 and supplied from our UK plant, we have contingency plans and we are working with these customers to meet their needs in a cost-efficient way.

Other principal risks and uncertainties are integrated with the principal risks of Vesuvius plc, and its subsidiary and joint venture companies (the "Group") and are not managed separately. The principal risks and uncertainties of Vesuvius plc, which include those of the Company, can be found in the 2019 Annual Report of Vesuvius plc, which does not form part of this Report.

Approved by the Board on 3 September 2020 and signed on its behalf by:

Geoffroy Godin
Geoffroy Godin (Sep 3, 2020 17:58 GMT+2)

G Godin, Director

Foseco Holding Limited

Directors' Report for the Year Ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Certain disclosures required under the Companies Act 2006 to be included within the Directors' Report have been presented within the Strategic Report to avoid duplication.

Directors of the Company

The directors, who held office during the year, and up to the date of the signing of this Report unless otherwise stated are as follows:

HJ Knowles

SC Upcott (resigned 21 May 2019)

IJ Lawson (resigned 31 October 2019)

G Godin (appointed 15 November 2019)

EO Gingell (appointed 15 November 2019)

Dividends

No dividends were paid or recommended during the current and prior year.

Political and charitable donations

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

Directors' indemnity provisions

The ultimate parent company of Foseco Holding Limited maintains directors' indemnity cover for all Directors.

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 so far as they are aware there is no relevant audit information of which the Company's auditor is unaware of.

Post Balance sheet events

The outbreak of COVID-19 accelerated during the first half of 2020. As this event arose after the Company's year-end it is treated as a non-adjusting event for accounting purposes. The Company is a holding investment company and therefore there have been no major operational impacts from COVID-19. The Directors have considered the impact of COVID-19 on performance of the Company's investments and liquidity, as well as in assessing and concluding on the Company's going concern.

There are no other material events after the reporting period to disclose.

Independent auditors

The auditors, Mazars LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 3 September 2020 and signed on its behalf by:

Geoffroy Godin

Geoffroy Godin (Sep 3, 2020 17:58 GMT+2)

G Godin

Director

Foseco Holding Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising FRS 101 'Reduced Disclosure Framework' ('FRS 101') 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

The Directors 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

Opinion

We have audited the financial statements of Foseco Holding Limited (the 'Company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework', ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 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. 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 – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration of the going concern basis of preparation on page 12 and non- adjusting post balance sheet events on page 20.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the Channel Islands. The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company and group's trade, customers, suppliers and the wider economy.

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 where:

- 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.

Foseco Holding Limited

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this 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 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 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 and 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities 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.

Foseco Holding Limited

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

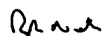
Auditor's responsibilities for the audit of the financial statements

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this audit 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.



Bob Neate (Sep 3, 2020 18:59 GMT+1)...

Robert Neate (Senior Statutory Auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

3 September 2020

Foseco Holding Limited

Statement of Profit or Loss for the Year Ended 31 December 2019

| | Note | 2019 £ 000 | 2018 £ 000 |
|--|------|---------------|---------------|
| Administrative expenses | | (331) | (331) |
| Operating loss | 3 | (331) | (331) |
| Income from shares in group undertakings | 4 | 11,852 | 6,432 |
| Finance income | 5 | 6,194 | 6,287 |
| Finance cost | 6 | - | (102) |
| Profit before tax | | 17,715 | 12,286 |
| Tax on profit on ordinary activities | 7 | (118) | (45) |
| Profit for the financial year | | 17,597 | 12,241 |

The above results were derived from continuing operations.

Foseco Holding Limited

Statement of Financial Position as at 31 December 2019

| | Note | 2019 £ 000 | 2018 £ 000 |
|--|------|---------------|---------------|
| Fixed assets | | | |
| Intangible assets | 8 | 577 | 908 |
| Investments | 9 | 66,551 | 66,551 |
| Non-current assets | | | |
| Amounts due from group undertakings | 10 | 229,790 | 312,789 |
| | | 296,918 | 380,248 |
| Current assets | | | |
| Cash at bank and in hand | | - | 1,563 |
| Creditors: Amounts falling due within one year | | | |
| Loans and borrowings | 11 | (32) | - |
| Net current assets/(liabilities) | | (32) | 1,563 |
| Total assets less current liabilities | | 296,886 | 381,811 |
| Creditors: Amounts falling due after more than one year | | | |
| Amounts owed to group undertakings | 12 | - | (102,522) |
| Net assets | | 296,886 | 279,289 |
| Capital and reserves | | | |
| Called up share capital | 13 | 1 | 1 |
| Share premium reserve | | 9 | 9 |
| Capital redemption reserve | | 29,810 | 29,810 |
| Retained earnings | | 267,066 | 249,469 |
| Total Shareholders' funds | | 296,886 | 279,289 |

Approved by the Board on 3 September 2020 and signed on its behalf by:

Geoffroy Godin
Geoffroy Godin (Sep 3, 2020 17:58 GMT+2).

G Godin
Director

Registration number: 04229276

The notes on pages 12 to 20 form an integral part of these financial statements.

Foseco Holding Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

| | Share capital £ 000 | Share premium £ 000 | Capital redemption reserve £ 000 | Retained earnings £ 000 | Total £ 000 |
|-------------------------------|------------------------|------------------------|---|-------------------------------|----------------|
| At 1 January 2019 | 1 | 9 | 29,810 | 249,469 | 279,289 |
| Profit for the financial year | - | - | - | 17,597 | 17,597 |
| Total comprehensive income | - | - | - | 17,597 | 17,597 |
| At 31 December 2019 | 1 | 9 | 29,810 | 267,066 | 296,886 |

| | Share capital £ 000 | Share premium £ 000 | Capital redemption reserve £ 000 | Retained earnings £ 000 | Total £ 000 |
|-------------------------------|------------------------|------------------------|---|-------------------------------|----------------|
| At 1 January 2018 | 1 | 9 | 29,810 | 237,228 | 267,048 |
| Profit for the financial year | - | - | - | 12,241 | 12,241 |
| Total comprehensive income | - | - | - | 12,241 | 12,241 |
| At 31 December 2018 | 1 | 9 | 29,810 | 249,469 | 279,289 |

The notes on pages 11 to 20 form an integral part of these financial statements.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

Foseco Holding Limited (the 'Company') is a holding company. The Company is a private company limited by share capital, incorporated and domiciled in England & Wales.

The address of its registered office is:
165 Fleet Street
London, EC4A 2AE

2 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.

Determining the carrying amount of some assets and liabilities requires the estimation of the effect of uncertain future events. The major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities are noted below.

Impairment and valuation of investments

Investments in subsidiaries are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on the fair value prepared on the basis of management's assumptions and estimates.

Impairment and classification of intercompany balances

Intercompany balances are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The company applies IFRS 9 simplified approach to measuring expected credit losses which uses a 12-month expected loss allowance for amounts due from other group companies.

Basis of preparation

The financial statements of Foseco Holding Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 as appropriate to Companies using FRS 101. The financial statements have been prepared under the historical cost convention apart from financial assets and liabilities (including derivative instruments) which are carried at fair value through the profit or loss.

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

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 to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Amounts owed by/to group undertakings are classified into current and non-current and current, in line with their expected repayment timeframe.

The Company's parent undertaking Vesuvius plc includes the Company in its consolidated financial statements. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare 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.

These financial statements present information about the Company as an individual undertaking and not about its group.

Foseco Holding Limited
Notes to the Financial Statements for the Year Ended 31 December 2019

Summary of disclosure exemptions

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

As the consolidated financial statements of the ultimate parent undertaking, Vesuvius plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Going concern

Details of the impact of COVID-19 are provided in note 17. The Directors of the Company are satisfied that there are no material events or uncertainties that they are aware of which will impact the ability of the Company to continue as a going concern.

The Directors consider that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of these financial statements. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

Impairment of investments

The Directors regularly review the performance of the business and the external business environment to determine whether there is any indication that the carrying value of its investments have suffered an impairment loss. If such indication exists, the higher of the value in use and the fair value less costs to sell of the asset is estimated and compared with the value in order to determine the extent, if any, of the impairment loss. For the purpose of impairment testing, the recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use. An impairment loss recognised in a prior year for an asset may be reversed where there has been a change in estimates used to measure the asset's recoverable amount since the impairment loss was recognised.

Loans and borrowings

Loans and borrowings are initially recognised at fair value net of directly attributable transaction costs. After initial recognition they are measured at amortised cost, using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Going concern

The Directors consider that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of these financial statements. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

Foreign currency transactions and balances

The financial statements are presented in 'Pounds Sterling (£)', which is also the Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Profit and Loss Account under 'Other interest receivable and similar income' and 'Other interest payable and similar charges' respectively.

Foseco Holding Limited
Notes to the Financial Statements for the Year Ended 31 December 2019

Rounding

All amounts in the financial statements and notes have been rounded off to the nearest thousand sterling pound, unless otherwise stated.

Income from group undertakings

Dividend income is recognised when the right to receive payment is established.

Tax

Tax expense represents the sum of current tax and deferred tax. Current and deferred tax are recognised in the Profit or Loss Account except to the extent that they relate to items charged or credited in the Statement of Comprehensive Income or Statement of Changes in Equity, in which case the associated tax is also recognised in those statements. In arriving at its current tax charge, the Company also makes careful assessment of the likely impact of tax law changes.

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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date. These assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

| Asset class | Amortisation method and rate |
|--------------------|-------------------------------------|
| Patents | Straight-line basis over 20 years |

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised in the income statement in the period which they are due in accordance with loan agreements.

3 Operating loss

The Company had no employees during the year (2018: nil). The Directors received remuneration of £nil (2018: £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 £2,950 (2018: £3,321). Administrative expenses includes £331,000 of amortisation of intangibles (2018: £331,000).

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

4 Income from group undertakings

| | 2019 £ 000 | 2018 £ 000 |
|-------------------------------|---------------|---------------|
| Intra – group dividend income | 10,538 | 5,030 |
| Intra – group royalty income | 1,314 | 1,402 |
| | <u>11,852</u> | <u>6,432</u> |

5 Finance income

| | 2019 £ 000 | 2018 £ 000 |
|---|---------------|---------------|
| Interest income from group undertakings | 6,194 | 6,287 |

6 Finance cost

| | 2019 £ 000 | 2018 £ 000 |
|-------------------------|---------------|---------------|
| Foreign exchange losses | - | 102 |

7 Income tax

Tax charged in the income statement

| | 2019 £ 000 | 2018 £ 000 |
|-------------------------|---------------|---------------|
| Current taxation | | |
| UK corporation tax | 118 | 45 |

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

| | 2019 £ 000 | 2018 £ 000 |
|--|---------------|---------------|
| Profit before tax | 17,715 | 12,286 |
| Corporation tax at standard rate | 3,366 | 2,334 |
| Decrease from effect of revenues exempt from taxation | (2,002) | (956) |
| Increase from effect of expenses not deductible in determining taxable profit (tax loss) | 63 | 63 |
| Utilisation of tax losses | (1,427) | (1,441) |
| Increase from effect of foreign tax rates | 118 | 45 |
| Total tax charge | <u>118</u> | <u>45</u> |

Factors that may affect future tax charges

Following the 2020 Budget announcement, the rate of corporation tax has been held at 19% for financial years 2020 and 2021, despite a previously enacted reduction to the rate of corporation tax to 17% (previously effective 1 April 2020).

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

8 Intangible assets

| Trademarks, patents and licenses | £ 000 |
|----------------------------------|---------|
| Cost or valuation | |
| At 1 January 2019 | 6,617 |
| At 31 December 2019 | 6,617 |
| Amortisation | |
| At 1 January 2019 | (5,709) |
| Amortisation charge | (331) |
| At 31 December 2019 | (6,040) |
| Carrying amount | |
| At 31 December 2019 | 577 |
| At 31 December 2018 | 908 |

9 Investments

| Subsidiaries | £ 000 |
|--------------------------|--------|
| Cost or valuation | |
| At 1 January 2019 | 66,551 |
| At 31 December 2019 | 66,551 |
| Carrying amount | |
| At 31 December 2019 | 66,551 |
| At 31 December 2018 | 66,551 |

As with Foseco Holding Limited, all of the companies listed below have a 31 December 2019 year-end.

Foseco Holding Limited directly owned 100% of the Ordinary share capital of the following companies as at 31 December 2019:

| Name of undertaking | Country | Registered office |
|---|-----------------|---|
| Foseco (UK) Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Foseco Holding (South Africa) (Pty) Limited | South Africa | 12, Bosworth Street, Alrode, Alberton, 1449, South Africa |
| Foseco International Holding (Thailand) Limited | Thailand | 170/69, 22nd Floor Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand |
| Foseco Philippines Inc | Philippines | Unit 401, 4th Floor 8 Antonio Centre, Prime St. Madrigal Business Park 2, Ayala Alabang Muntinlupa City, 1770 Philippines |

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

| Name of undertaking | Country | Registered office |
|-------------------------------------|-----------------|--|
| Foseco Industrial e Comercial Ltda | Brazil | Km 15, Rodovia Raposo Tavares, Butanta Cep, Sao Paulo, 05577-100, Brazil |
| Foseco Korea Limited | South Korea | 74 Jeongju-ro, Wonmi-gu, Bucheon-si, Gyeonggi-do, 14523, South Korea |
| PT Foseco Trading Indonesia Limited | Indonesia | Jalan Rawagelam 2 No 5, Kawasan Industri Pulogadung, Jakarta Timur, 13930, Indonesia |
| PT Foseco Indonesia | Indonesia | 2/5, Jalan Rawagelam, Kawasan Industry, Pulogadung, Jakarta Timur, 13930, Indonesia |
| Foseco Japan Limited | Japan | 9th Floor, Orix Kobe Sannomiya Building, 6-1-10, Goko dori, Chuo-ku, Kobe Hyogo, 651-0087, Japan |
| Foseco Pension Fund Trustee Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |

Foseco Holding Limited indirectly owned 100% of the following companies as at 31 December 2019:

| Name of undertaking | Country | Registered office |
|---------------------------------------|-----------------|---|
| Foseco Foundry (China) Limited | China | Room 819, Zhaoshang Building, Nanshan, Shenzhen, Guangdong, 20030, China |
| Foseco (FS) Limited | England & Wales | 1 Midland Way, Central Park, Barlborough Links, DERBYSHIRE, S43 4XA, England |
| Foseco (GB) Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| 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 (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 |
| 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 |

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

| Name of undertaking | Country | Registered office |
|--------------------------------------|-----------------|---|
| 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 Holding Limited directly owned a proportion of the Ordinary share capital of the following companies as at 31 December 2019:

| Name of non-wholly owned subsidiary | Proportion of ownership interest and voting rights held | Country of incorporation and principal place of business |
|-------------------------------------|---|---|
| Vesuvius Mexico SA de CV | 13.77% | Mexico Av. Ruiz Cortinez, Num. 140, Colonia, Jardines de San Rafael, Guadalupe, Nuevo, León, CP 67119, Mexico |

Foseco Holding Limited indirectly owned a proportion of the following companies as at 31 December 2019:

| Name of non-wholly owned subsidiary | Indirect proportion of ownership interest and voting rights held | Country of incorporation and principal place of business |
|-------------------------------------|--|--|
| Foseco (Thailand) Ltd. | 74% | Thailand 170/69, 22nd Floor Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand |
| Foseco India Limited | 74.98% | India 922/923, Gat, Sanaswadi, Taluka, Shirur, Pune, 412208, India |

10 Amounts due from group undertakings

| | 2019 £ 000 | 2018 £ 000 |
|-------------------------------------|---------------|---------------|
| Non-current receivables | | |
| Amounts due from group undertakings | 229,790 | 312,789 |

Interest on loans from other companies within the Vesuvius Group are interest free from dormant companies and charged on an arm's length basis from non-dormant companies. Repayment dates across all loans are variable and includes loans repayable on demand but can be renewed as required.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

11 Loans and borrowings

| | 2019 £ 000 | 2018 £ 000 |
|-------------------------------------|---------------|---------------|
| Current loans and borrowings | | |
| Bank overdrafts | 32 | - |

The company is part of the borrowing group 'Vesuvius PLC and subsidiaries' and therefore has access to the overdraft facility disclosed above.

12 Creditors: Amounts falling due after more than one year

| | 2019 £ 000 | 2018 £ 000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | - | 102,522 |

Interest on loans from other companies within the Vesuvius Group are interest free from dormant companies and charged on an arm's length basis from non-dormant companies. Repayment dates across all loans are variable and includes loans repayable on demand but can be renewed as required.

13 Share capital

Allotted, called up and fully paid shares

| | 2019 | | 2018 | |
|----------------------------|---------|-------|---------|-------|
| | No. 000 | £ 000 | No. 000 | £ 000 |
| Ordinary Shares of £1 each | 1 | 1 | 1 | 1 |

The Company only has one class of shares in issue, Ordinary Shares. All shareholders enjoy the same rights in relation to these shares, including rights in relation to voting at general meetings of the Company, distribution of dividends and repayment of capital.

14 Capital redemption reserve

The Capital redemption reserve maintains the nominal value of the equity share capital of the Company when shares are repurchased or cancelled.

15 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.

16 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.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

17 Events after the Balance Sheet date

The outbreak of COVID-19 accelerated during the first half of 2020. As this event arose after the Company's year-end it is treated as a non-adjusting event for accounting purposes. The Company is a holding investment company and therefore there have been no major operational impacts from COVID-19. The Group has considered the risks on the Group's liquidity and viability in connection with the COVID-19, including those that may be relevant to the Company. The Group enters this uncertain period in a robust financial position, with a strong balance sheet and liquidity position as well as covenant headroom and is acting to conserve cash so that the Group remains well positioned for long term success. Although the full extent of the potential impact on our business, operations and the global economy as a whole is not yet clear, Group management continue to respond to the COVID-19 pandemic as effectively as possible. The COVID-19 pandemic has not materially impacted the Company's financial position or its performance at the date of these financial statements, particularly in relation to the valuation of investments held. This remains a matter of close attention for the Board.

There are no other material events after the reporting period to disclose.