

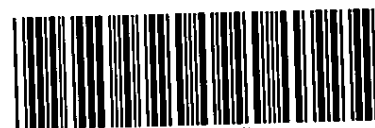
Registration number 04229276

Foseco Holding Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2013

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Foseco Holding Limited
Company Information

Directors	HJ Knowles KF S10W
Company Secretary	HJ Knowles
Registered office	165 Fleet Street London EC4A 2AE
Auditor	KPMG LLP Statutory Auditor and Chartered Accountant 15 Canada Square London E14 5GL

Foseco Holding Limited
Strategic Report for the Year Ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013

Principal activity and review of the business

The Company is an investment holding company for investments in group undertakings, and its investing activities during the year are detailed in note 6. The Directors do not envisage any change to the business of the Company in the foreseeable future.

Results

The profit before tax for the year is £14,461,912 (2012 £8,629,618). The net assets for the year are £215,916,684 (2012 £201,777,395).

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.

Recoverability of intercompany receivables

Where amounts are due from group companies with net liabilities, letters of support are obtained to ensure that they will be able to meet their obligations as they fall due.

Approved by the Board on 23 May 2014 and signed on its behalf by



KF Siow
Director

Foseco Holding Limited
Directors' Report for the Year Ended 31 December 2013

The Directors present their report and the financial statements for the year ended 31 December 2013

Directors of the Company

The Directors who held office during the year were as follows

BR Elliston (resigned 31 March 2014)

RS Fell - Company Secretary and Director (resigned 21 March 2013)

RMH Malthouse (resigned 23 September 2013)

HJ Knowles (appointed Director 23 September 2013)

KF Stow was appointed as Director after the year end, on 31 March 2014

Dividends

The Directors do not recommend payment of a final dividend (2012 £nil)

Political and charitable donations

During the year the Company made political donations of £nil (2012 £nil) and charitable donations of £nil (2012 £nil)

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Reappointment of auditors

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

Approved by the Board on 23 May 2014 and signed on its behalf by



KF Stow
Director

Foseco Holding Limited

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to 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 Foseco Holding Limited

We have audited the financial statements of Foseco Holding Limited for the year ended 31 December 2013, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 in respect of the Directors' Report and the financial statements 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 Ethical Standards for Auditors.

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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



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

Chartered Accountants
15 Canada Square
London
E14

5GL

23 May 2014

Foseco Holding Limited
Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 £ 000	2012 £ 000
Administrative expenses		(331)	(331)
Impairment of fixed asset investments reversal	6	997	-
Other operating income		172	-
Operating profit/(loss)	2	838	(331)
Income from shares in group undertakings		10,370	8,212
Other interest receivable and similar income	3	3,254	749
Profit on ordinary activities before taxation		14,462	8,630
Tax on profit on ordinary activities	4	(323)	(282)
Profit for the financial year	10	<u>14,139</u>	<u>8,348</u>

All activities relate to continuing operations

The Company has no recognised gains or losses for the year other than the results above

Foseco Holding Limited
(Registration number: 04229276)
Balance Sheet at 31 December 2013

	Note	2013 £ 000	2012 £ 000
Fixed assets			
Intangible fixed assets	5	2,563	2,894
Investments	6	<u>65,793</u>	<u>64,796</u>
		<u>68,356</u>	<u>67,690</u>
Current assets			
Debtors	7	272,440	259,259
Cash at bank and in hand		<u>1,703</u>	<u>776</u>
		274,143	260,035
Creditors Amounts falling due within one year	8	<u>(126,583)</u>	<u>(125,948)</u>
Net current assets		<u>147,560</u>	<u>134,087</u>
Net assets		<u><u>215,916</u></u>	<u><u>201,777</u></u>
Capital and reserves			
Called up share capital	9	1	1
Share premium account	10	9	9
Capital reserve	10	29,810	29,810
Profit and loss account	10	<u>186,096</u>	<u>171,957</u>
Shareholders' funds	11	<u><u>215,916</u></u>	<u><u>201,777</u></u>

Approved by the Board on 23 May 2014 and signed on its behalf by



KF Slow
Director

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

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

Exemption from preparing a cash flow statement

The Company is exempt from the requirement of FRS 1 (Revised) 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.

Fixed asset investments

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

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

continued

2 Operating profit

Operating profit is stated after charging

	2013 £ 000	2012 £ 000
Amortisation	<u>331</u>	<u>331</u>

Other than the Directors, the Company had no employees during the year (2012 nil) The Directors received remuneration of £nil (2012 £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 (2012 £4,000)

3 Other interest receivable and similar income

	2013 £ 000	2012 £ 000
Interest receivable from group undertakings	3,217	730
Foreign exchange gains	<u>37</u>	<u>19</u>
	<u>3,254</u>	<u>749</u>

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

continued

4 Taxation

Tax on profit on ordinary activities

	2013 £ 000	2012 £ 000
Current tax		
Corporation tax charge	323	282
Total tax on profit on ordinary activities	<u>323</u>	<u>282</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2012 lower than) the standard rate of corporation tax in the UK of 23.25% (2012 24.5%)

The differences are reconciled below

	2013 £ 000	2012 £ 000
Profit on ordinary activities before taxation	14,462	8,630
Corporation tax at standard rate	3,362	2,114
Income not taxable	(2,329)	(1,481)
Expenses not deductible for tax purposes	77	81
Overseas tax	323	282
Double tax relief	(21)	(131)
Losses claimed from group	(1,089)	(583)
Total current tax	<u>323</u>	<u>282</u>

Factors that may affect future tax charges

From 1 April 2013, the UK corporation tax rate reduced to 23% from 24%. Further reductions to 21% from 1 April 2014) and 20% from 1 April 2015 were substantively enacted on 2 July 2013.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

continued

5 Intangible fixed assets

	Patents & Trademarks £ 000
Cost	
At 1 January 2013	<u>6,617</u>
At 31 December 2013	<u>6,617</u>
Amortisation	
At 1 January 2013	3,723
Charge for the year	<u>331</u>
At 31 December 2013	<u>4,054</u>
Net book value	
At 31 December 2013	<u><u>2,563</u></u>
At 31 December 2012	<u><u>2,894</u></u>

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

continued

6 Investments held as fixed assets

	Investments in subsidiary and associated undertakings £ 000
Cost	
At 1 January 2013	66,393
At 31 December 2013	66,393
Provision for impairment	
At 1 January 2013	1,597
Impairment reversal	(997)
At 31 December 2013	600
Net book value	
At 31 December 2013	65,793
At 31 December 2012	64,796

Details of undertakings

The principal subsidiaries of Foseco Holding Limited and the countries in which they are incorporated are as follows

Foseco (UK) Ltd, England & Wales	Foseco Korea Ltd, South Korea
Foseco Holding (South Africa) Pty Ltd, South Africa	Foseco Japan Ltd, Japan
Foseco Industrial e Comercial Ltda, Brazil	* Foseco India Ltd, India (66%)

Where marked with an asterisk (*), the ordinary capital of the above companies was owned by a Foseco Holding Limited subsidiary at 31 December 2013. All of the above are wholly-owned, unless otherwise stated.

Following a reassessment of the expected future profit contributions from its investments in subsidiary undertakings, the Company has reversed an impairment loss of £997,402. The total recoverable amount of its investments in subsidiaries was measured by reference to the value in use of the investments, using risk-adjusted pre-tax discount rates that ranged between 11.7% and 13.7%.

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

continued

7 Debtors

	2013 £ 000	2012 £ 000
Amounts owed by group undertakings	<u>272,440</u>	<u>259,259</u>

8 Creditors: Amounts falling due within one year

	2013 £ 000	2012 £ 000
Amounts owed to group undertakings	125,901	125,266
Corporation tax	<u>682</u>	<u>682</u>
	<u>126,583</u>	<u>125,948</u>

9 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£ 000	No.	£ 000
Ordinary shares of £1 each	<u>1,000</u>	<u>1</u>	<u>1,000</u>	<u>1</u>

10 Reserves

	Share premium account £ 000	Capital reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2013	9	29,810	171,957	201,776
Profit for the year	<u>-</u>	<u>-</u>	<u>14,139</u>	<u>14,139</u>
At 31 December 2013	<u>9</u>	<u>29,810</u>	<u>186,096</u>	<u>215,915</u>

Foseco Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

continued

11 Reconciliation of movement in shareholders' funds

	2013 £ 000	2012 £ 000
Profit attributable to the members of the Company	14,139	8,348
Net addition to shareholders' funds	14,139	8,348
Shareholders' funds at 1 January	201,777	193,429
Shareholders' funds at 31 December	<u>215,916</u>	<u>201,777</u>

12 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 8 and has therefore not disclosed transactions or balances with entities which form part of the Vesuvius plc group

13 Immediate parent undertaking

The immediate parent undertaking is Foseco (Jersey) Limited which is incorporated and registered in Jersey

The Company's ultimate controlling party was Cookson Group plc. On 17 December 2012 the new holding company of Cookson Group became Vesuvius plc, registered in England and Wales, which heads the largest group in which the results of the Company are consolidated. The financial statements of Vesuvius plc are available to the public and may be obtained from the Company Secretary, Vesuvius plc, 165 Fleet Street, London EC4A 2AE

No other group financial statements include the results of the Company