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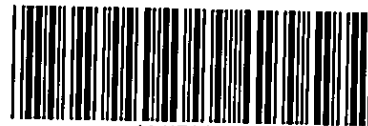
Registration number 00054713

Vesuvius UK Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2011

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COMPANIES HOUSE

Vesuvius UK Limited
Company Information

Directors	BMHR Massant BR Elliston RS Fell RMH Malthouse RM Sykes Y Nokerman
Company Secretary	M Satterthwaite
Registered office	1 Midland Way Barlborough Links Barlborough S43 4XA
Auditor	KPMG Audit Plc 1 The Embankment Leeds West Yorkshire LS1 4DW

Vesuvius UK Limited

Directors' Report for the Year Ended 31 December 2011

The Directors present their report and the financial statements for the year ended 31 December 2011

Directors of the Company

The Directors who held office during the year were as follows

BMHR Massant

BR Elliston

RS Fell

RMH Malthouse

RM Sykes

Y Nokerman

Principal activity and review of the business

The Company is a wholly-owned subsidiary of Cookson Group plc ("Cookson") and operates as part of Cookson's Engineered Ceramics division (known in its markets as "Vesuvius")

The Company's principal activities are the manufacture and sale of refractory products to the iron and steel, foundry and cement industries in the UK, Europe, Africa, Asia and the Americas

As shown in the Company's profit and loss account on page 8, the Company's turnover has increased over the prior year by 17% to £149,928,000 the major contributory factor being some recovery in the European steel industry (the company's principal market) The profit after tax has increased by £122,000 to a profit after taxation of £3,593,000

The balance sheet on page 9 of the financial statements shows that the Company's net assets at year - end of £36,299,000 have increased by £3,593,000 this being the reported profit for the year

The Cookson division of which the Company is a part, invests in research and development activities appropriate to the nature and size of its operations with the aim of supporting the future development of the Company, as a part of the division, in the medium to long-term future

Cookson manages its operations on a divisional basis For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the Engineered Ceramics division of Cookson, which includes this company, is discussed in Cookson's Annual Report which does not form part of this Report 11

Results and dividends

The result for the year is shown on page 8 The Directors do not recommend payment of a final dividend (2010 £nil)

Vesuvius UK Limited
Directors' Report for the Year Ended 31 December 2011

continued

Principal risks and uncertainties

Competitive pressure in Eastern Europe and Asia is a continuing risk for the Company, which could result in it losing sales to its key competitors. To manage this risk, the Company strives to provide added-value products and services to its customers, prompt response times in the supply of products and services and in the handling of customer queries, and through the maintenance of strong relationships with customers.

The Company sells products into international markets and it is therefore exposed to currency movements on such sales. Where appropriate, the Company manages this risk with forward foreign exchange contracts in line with Cookson's treasury policies.

The Company's businesses may be affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks.

The Company has no external debt but is however party to a number of loans with other group companies (both receivable and payable).

The Group risks to which Cookson is exposed are discussed in Cookson's Annual Report that does not form part of this Report.

Political and charitable donations

During the year the Company made political donations of £nil and charitable donations of £nil.

Employees

Details of the number of employees and related costs can be found in note 5 to the financial statements.

Applications for employment by disabled persons are considered fully, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company participates in Cookson's policies and practices to keep employees informed on matters relevant to them as employees through appropriate means, such as employee meetings and newsletters.

Supplier payment policy

Terms and conditions under which transactions are conducted with suppliers are agreed before business takes place. It is the company's policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions.

At the year end, there were 43 days (2010: 54 days) purchases in trade creditors.

Environment

Cookson recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. The Company operates in accordance with Cookson policies, as noted in Cookson's Annual Report, which does not form part of this report. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Vesuvius UK Limited
Directors' Report for the Year Ended 31 December 2011

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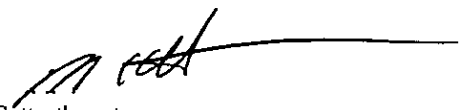
Disclosure of information to the auditors

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

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting

Approved by the Board on 26 September 2012 and signed on its behalf by



M Satterthwaite
Company Secretary

Vesuvius UK Limited

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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 apply them consistently,
- make judgements and accounting 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 Vesuvius UK Limited

We have audited the financial statements of Vesuvius UK Limited for the year ended 31 December 2011, set out on pages 8 to 24. 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 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2011 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.

**Independent Auditor's Report to the Members of
Vesuvius UK Limited**

continued

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


Johnathan Pass (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditors

Chartered Accountants
1 The Embankment
Leeds
West Yorkshire
LS1 4DW

27 September 2012

Vesuvius UK Limited
Profit and Loss Account for the Year Ended 31 December 2011

	Note	2011 £ 000	2010 £ 000
Turnover	2	149,928	128,622
Cost of sales		<u>(123,968)</u>	<u>(103,404)</u>
Gross profit		25,960	25,218
Distribution costs		(4,474)	(4,182)
Administrative expenses		<u>(15,428)</u>	<u>(15,889)</u>
Operating profit	3	6,058	5,147
Profit/(loss) on disposal of fixed assets	4	2	(58)
Costs of reorganisation and restructuring	4	(1,624)	(770)
Interest payable and similar charges	7	<u>(675)</u>	<u>(711)</u>
Profit on ordinary activities before taxation		3,761	3,608
Tax on profit on ordinary activities	8	<u>(168)</u>	<u>(137)</u>
Profit for the financial year	18	<u><u>3,593</u></u>	<u><u>3,471</u></u>

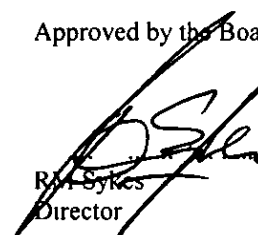
All activities relate to continuing operations

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

Vesuvius UK Limited
(Registration number: 00054713)
Balance Sheet at 31 December 2011

	Note	2011 £ 000	2010 £ 000
Fixed assets			
Intangible fixed assets	9	13,065	14,263
Tangible fixed assets	10	7,103	5,904
Investments	11	72	72
		<u>20,240</u>	<u>20,239</u>
Current assets			
Stocks	12	23,507	18,607
Debtors	13	49,923	46,835
Cash at bank and in hand		<u>23,211</u>	<u>30,276</u>
		96,641	95,718
Creditors Amounts falling due within one year	14	<u>(72,526)</u>	<u>(73,988)</u>
Net current assets		<u>24,115</u>	<u>21,730</u>
Total assets less current liabilities		44,355	41,969
Creditors Amounts falling due after more than one year	15	(514)	(487)
Provisions for liabilities	16	<u>(7,542)</u>	<u>(8,776)</u>
Net assets		<u>36,299</u>	<u>32,706</u>
Capital and reserves			
Called up share capital	17	70,000	70,000
Profit and loss account	18	<u>(33,701)</u>	<u>(37,294)</u>
Shareholders' funds	19	<u>36,299</u>	<u>32,706</u>

Approved by the Board on 26 September 2012 and signed on its behalf by


R.M. Sykes
Director

Vesuvius UK Limited
Notes to the Financial Statements for the Year Ended 31 December 2011

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

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

New accounting standards

The Company has adopted 'Improvements to Financial Reporting Standards 2010' (November 2010). This adoption had no impact on the net results or net assets of the Company.

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

Turnover

Turnover comprises the invoiced value, excluding value added tax, of goods and services supplied to customers including fellow subsidiaries.

Goodwill

Purchased goodwill is capitalised and amortised over the useful estimated economic life of 20 years.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for permanent diminution in value.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Depreciation method and rate
Buildings	25 years
Plant and equipment	10-15 years
Commercial vehicles	5 years
Motor cars	4 years

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

Freehold land is not depreciated

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Research and development

All expenditure except that incurred on buildings and plant is charged against income as it is incurred.

Fixed asset investments

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

Stock and work in progress

Stocks are stated at the lower of cost and estimated net realisable value. Cost of work in progress and finished goods includes appropriate overheads.

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.

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

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.

Financial instruments

The company uses a variety of derivative financial instruments as part of an overall risk management strategy. These instruments are used as a means of hedging exposure to a price and foreign currency risk connected to anticipated or contracted sales and purchases. The company does not hold or issue derivative financial instruments for trading purposes.

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

2 Turnover

During the year 70.77% of the company's turnover related to exports (2010 - 67.67%)

An analysis of turnover by geographical location is given below

	2011 £ 000	2010 £ 000
Sales - UK	43,821	41,589
Sales - Europe	93,712	69,665
Sales - Rest of world	12,395	17,368
	<u>149,928</u>	<u>128,622</u>

An analysis of turnover by class of business is given below

	2011 £ 000	2010 £ 000
Business segment 1	149,928	128,622
	<u>149,928</u>	<u>128,622</u>

3 Operating profit

Operating profit is stated after charging

	2011 £ 000	2010 £ 000
Operating leases - plant and machinery	2,412	2,362
Depreciation of owned assets	672	639
Amortisation	1,198	1,199
Auditor's remuneration	33	39
	<u>4,315</u>	<u>4,339</u>

4 Exceptional items

	2011 £ 000	2010 £ 000
(Profit) / loss on sale of fixed assets	(2)	58
Reorganisation or restructuring	1,624	770
	<u>1,622</u>	<u>828</u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

The reorganisation or restructuring costs largely comprise additional costs incurred relating to the closure of a production site located at Newmilns, Ayrshire first announced in 2009 See note 16

5 Staff costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2011 No.	2010 No.
Administration and support	45	48
Production	252	342
Research and development	33	31
Sales, marketing and distribution	90	86
	<u>420</u>	<u>507</u>

The aggregate payroll costs were as follows

	2011 £ 000	2010 £ 000
Wages and salaries	16,362	18,405
Social security costs	1,384	1,529
Staff pensions	1,631	1,811
	<u>19,377</u>	<u>21,745</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2011 £ 000	2010 £ 000
Remuneration	249	218
Company contributions paid to money purchase schemes	26	21

During the year the number of directors who were receiving benefits and share incentives was as follows

	2011 No.	2010 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

In respect of the highest paid director

	2011	2010
	£ 000	£ 000
Remuneration	171	157
Company contributions to money purchase pension schemes	26	21
Defined benefit accrued pension entitlement at the end of the period	22	21
Defined benefit accrued lump sum at the end of the period	<u>102</u>	<u>98</u>

7 Interest payable and similar charges

	2011	2010
	£ 000	£ 000
Interest on bank borrowings	14	24
Interest payable to group undertakings	317	312
Unwinding of discount in relation to reorganisation provision	<u>344</u>	<u>375</u>
	<u>675</u>	<u>711</u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

8 Taxation

Tax on profit on ordinary activities

	2011 £ 000	2010 £ 000
Current tax on income	168	137
Total tax on profit on ordinary activities	168	137

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2010 lower than) the standard rate of corporation tax in the UK of 26.5% (2010 28%)

The differences are reconciled below

	2011 £ 000	2010 £ 000
Profit on ordinary activities before taxation	3,761	3,608
Corporation tax at standard rate	997	1,010
Capital allowances for period in excess of depreciation	(716)	(890)
Other timing differences	(430)	(780)
Expenses not deductible for tax purposes	365	360
Overseas tax rate difference	168	137
Surrender of losses (by)/to group companies	(216)	300
Total current tax	168	137

No corporation tax charge arises on the results for the year due to the availability of tax losses

Factors that may affect future tax charges

The unrecognised deferred tax asset is approximately £8.0m (2010 £8.1m) in respect of operating losses, £2.0m (2010 £2.8m) in respect of other timing differences and £1.9m (2010 £2.8m) for accelerated capital allowances. If circumstances change in the future resulting in the recoverability of the deferred tax asset becoming more certain, the asset will be recognised. This will only be the case if there is persuasive and reliable evidence suggesting that suitable taxable profits will be generated in the future.

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate would decrease to 24% effective from 1 April 2012, with further planned reductions of 1 percent on 1 April 2013 and 1 April 2014. The reduction in rate to 24% would not have a material impact on the unrecognised deferred tax asset.

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

9 Intangible fixed assets

	Goodwill £ 000
Cost	
At 1 January 2011	23,988
At 31 December 2011	<u>23,988</u>
Amortisation	
At 1 January 2011	9,725
Charge for the year	<u>1,198</u>
At 31 December 2011	<u>10,923</u>
Net book value	
At 31 December 2011	<u>13,065</u>
At 31 December 2010	<u>14,263</u>

10 Tangible fixed assets

	Freehold land and buildings £ 000	Plant and machinery £ 000	WIP £ 000	Total £ 000
Cost or valuation				
At 1 January 2011	1,737	9,831	1,027	12,595
Additions	-	-	1,895	1,895
Disposals	-	(89)	-	(89)
Reclassification	-	1,121	(1,121)	-
At 31 December 2011	<u>1,737</u>	<u>10,863</u>	<u>1,801</u>	<u>14,401</u>
Depreciation				
At 1 January 2011	331	6,360	-	6,691
Charge for the year	63	609	-	672
Eliminated on disposals	-	(65)	-	(65)
At 31 December 2011	<u>394</u>	<u>6,904</u>	<u>-</u>	<u>7,298</u>
Net book value				
At 31 December 2011	<u>1,343</u>	<u>3,959</u>	<u>1,801</u>	<u>7,103</u>
At 31 December 2010	<u>1,406</u>	<u>3,471</u>	<u>1,027</u>	<u>5,904</u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

11 Investments held as fixed assets

	Investments in subsidiary undertakings £ 000
Cost and net book value	
At 1 January 2011	<u>63</u>
At 31 December 2011	<u>63</u>
	Other investments
	Total £ 000
Cost and net book value	
At 1 January 2011	<u>9</u>
At 31 December 2011	<u>9</u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

Details of undertakings

The principal subsidiaries of Vesuvius UK Limited and the countries in which they are incorporated are as follows

SG Blair & Company Limited

All of the above are wholly-owned, unless otherwise stated

12 Stocks

	2011	2010
	£ 000	£ 000
Raw materials	9,596	6,891
Work in progress	352	324
Finished goods	13,559	11,392
	<u>23,507</u>	<u>18,607</u>

13 Debtors

	2011	2010
	£ 000	£ 000
Trade debtors	14,680	14,427
Amounts owed by group undertakings	28,073	27,534
Prepayments and accrued income	7,170	4,874
	<u>49,923</u>	<u>46,835</u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

14 Creditors: Amounts falling due within one year

	2011 £ 000	2010 £ 000
Trade creditors	14,359	14,838
Amounts owed to group undertakings	56,465	56,528
Other taxes and social security	470	517
Accruals and deferred income	1,232	2,105
	<u>72,526</u>	<u>73,988</u>

15 Creditors: Amounts falling due after more than one year

	2011 £ 000	2010 £ 000
Accruals and deferred income	<u>514</u>	<u>487</u>

16 Provisions

	Reorganisation £ 000	Other provision £ 000	Total £ 000
At 1 January 2011	<u>8,665</u>	<u>111</u>	<u>8,776</u>
Charged to the profit and loss account	1,624	-	1,624
Utilised during the year	(3,200)	(2)	(3,202)
Unwinding discounted provision during the year	344	-	344
	<u>(1,232)</u>	<u>(2)</u>	<u>(1,234)</u>
At 31 December 2011	<u>7,433</u>	<u>109</u>	<u>7,542</u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

The reorganisation provision includes the following

- The costs of closing the Head Office at 2 Midland Way, Barlborough Links, Derbyshire,
- The costs of the closure of a production site located at Newmilns, Ayrshire and the withdrawal of Viso and Clay Graphite production in the UK,
- The costs of the closure of a production site located at Halifax, Yorkshire
- The costs of closing offices at Tamworth, Staffordshire

The other provision relates principally to environmental matters

17 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£ 000	No.	£ 000
Ordinary shares of £1 each	<u>70,000,000</u>	<u>70,000</u>	<u>70,000,000</u>	<u>70,000</u>

18 Reserves

	Profit and loss account £ 000
At 1 January 2011	(37,294)
Profit for the year	<u>3,593</u>
At 31 December 2011	<u>(33,701)</u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

19 Reconciliation of movement in shareholders' funds

	2011	2010
	£ 000	£ 000
Profit attributable to the members of the Company	<u>3,593</u>	<u>3,471</u>
Net addition to shareholders' funds	3,593	3,471
Shareholders' funds at 1 January	<u>32,706</u>	<u>29,235</u>
Shareholders' funds at 31 December	<u><u>36,299</u></u>	<u><u>32,706</u></u>

Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

20 Pension schemes

The Company operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,631,000 (2010 £1,074,000). Contributions amounting to £nil (2010 £152,000) were payable to the fund at the period end and are included in creditors.

The Company also participated in the UK defined benefit pension scheme operated by its ultimate parent company ('UK Scheme'). As the company is unable to identify its share of the underlying assets and liabilities of the UK Scheme, it therefore accounts for its membership of the UK Scheme as it would for a defined contributions scheme. The UK Scheme was closed to future accrual, following the completion of the required period of consultation with its employees. Up to the date of closure on 31st July 2010, costs charged in that year in respect of its contributions to the UK Scheme were £737,000. Contributions due to the UK Scheme since 31 July 2010 are being met fully by Cookson Group plc.

Particulars of the latest actuarial valuation and deficit of the UK Scheme, which was carried out by independent qualified actuaries, are included in the accounts of the ultimate parent company, Cookson Group plc, which are available at the address given in note 24.

21 Commitments

Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £175,000 (2010 £924,000).

Operating lease commitments

As at 31 December 2011 the Company had annual commitments under non-cancellable operating leases which expire

	2011 £ 000	2010 £ 000
Land and buildings		
Within two and five years	95	94
Over five years	1,668	1,570
	<u>1,763</u>	<u>1,664</u>
Other		
Within one year	215	75
Within two and five years	326	481
	<u>541</u>	<u>556</u>

22 Post balance sheet events

On 29th February 2012 land and buildings situated at the Holmsfield Industrial Estate, Halifax, West Yorkshire were sold for £906,500 realising a net profit on disposal of £480,000.



Vesuvius UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

continued

23 Related party transactions

As the Company is a wholly owned subsidiary of Cookson Group 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 Cookson Group plc group

24 Immediate parent undertaking

The immediate parent undertaking is Vesuvius-Premier Refractories (Holdings) Limited

The ultimate controlling party is Cookson Group plc, registered in England and Wales, which heads the largest group in which the results of the Company are consolidated. The financial statements of Cookson Group plc are available to the public and may be obtained from the Company Secretary, Cookson Group plc, 165 Fleet Street, London EC4A 2AE

No other group financial statements include the results of the Company