

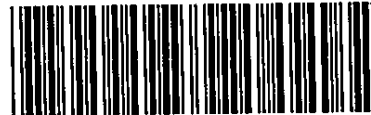
Registration number 00054713

# Vesuvius UK Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2012

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**Vesuvius UK Limited**  
**Company Information**

<b>Directors</b>	BR Elliston RMH Malthouse RM Sykes Y Nokerman M Satterthwaite AJ Harrison
<b>Company Secretary</b>	M Satterthwaite
<b>Registered office</b>	1 Midland Way Barlborough Links Barlborough S43 4XA
<b>Auditor</b>	KPMG Audit Plc 1 The Embankment Leeds West Yorkshire LS1 4DW

**Vesuvius UK Limited**  
**Directors' Report for the Year Ended 31 December 2012**

The Directors present their report and the financial statements for the year ended 31 December 2012

**Directors of the Company**

The Directors who held office during the year were as follows

BMHR Massant (resigned 30 April 2013)

BR Elliston

RS Fell (resigned 21 March 2013)

RMH Malthouse

RM Sykes

Y Nokerman

**Principal activity and review of the business**

The Company is a wholly-owned subsidiary of Vesuvius plc ("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 decreased slightly over the prior year by 1% to £148,716,000, there was no major contributory factor. The profit after tax has increased by £2,763,000 to a profit after taxation of £6,356,000

The balance sheet on page 9 of the financial statements shows that the Company's net assets at year - end of £42,655,000 have increased by £6,356,000 this being the reported profit for the year

Vesuvius 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 in the medium to long-term future

Vesuvius manages its operations on a group 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 group is discussed in Vesuvius plc 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 (2011 £nil)

**Vesuvius UK Limited**  
**Directors' Report for the Year Ended 31 December 2012**

*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 Vesuvius 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 Vesuvius plc is exposed are discussed in Vesuvius plc'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 Vesuvius 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 41 days (2011: 43 days) purchases in trade creditors.

**Environment**

Vesuvius 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 Vesuvius policies, as noted in Vesuvius plc 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 2012**

*continued*


**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 15 July 2013 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 2012, 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 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](http://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 2012 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.

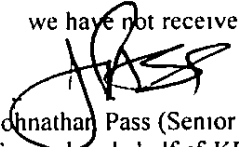
**Independent Auditor's Report to the Members of  
Vesuvius UK Limited**

*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

15 July 2013



**Vesuvius UK Limited**  
**Profit and Loss Account for the Year Ended 31 December 2012**

	Note	2012 £ 000	2011 £ 000
Turnover	2	148,716	149,928
Cost of sales		<u>(123,025)</u>	<u>(123,968)</u>
Gross profit		25,691	25,960
Distribution costs		(2,775)	(4,474)
Administrative expenses		<u>(15,143)</u>	<u>(15,428)</u>
Operating profit	3	7,773	6,058
Profit on disposal of fixed assets	4	203	2
Costs of reorganisation and restructuring	4	(836)	(1,624)
Interest payable and similar charges	7	<u>(648)</u>	<u>(675)</u>
Profit on ordinary activities before taxation		6,492	3,761
Tax on profit on ordinary activities	8	<u>(136)</u>	<u>(168)</u>
Profit for the financial year	18	<u>6,356</u>	<u>3,593</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 2012**

	Note	2012 £ 000	2011 £ 000
<b>Fixed assets</b>			
Intangible fixed assets	9	11,865	13,065
Tangible fixed assets	10	6,969	7,103
Investments	11	72	72
		<u>18,906</u>	<u>20,240</u>
<b>Current assets</b>			
Stocks	12	17,042	23,507
Debtors	13	72,292	49,923
Cash at bank and in hand		12,177	23,211
		<u>101,511</u>	<u>96,641</u>
Creditors Amounts falling due within one year	14	<u>(71,366)</u>	<u>(72,526)</u>
Net current assets		<u>30,145</u>	<u>24,115</u>
Total assets less current liabilities		49,051	44,355
Creditors Amounts falling due after more than one year	15	(246)	(514)
Provisions for liabilities	16	<u>(6,150)</u>	<u>(7,542)</u>
Net assets		<u>42,655</u>	<u>36,299</u>
<b>Capital and reserves</b>			
Called up share capital	17	70,000	70,000
Profit and loss account	18	<u>(27,345)</u>	<u>(33,701)</u>
Shareholders' funds	19	<u>42,655</u>	<u>36,299</u>

Approved by the Board on 15 July 2013 and signed on its behalf by

  
R.W. Sykes  
Director

**Vesuvius UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2012**

**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 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.

**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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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 2012**

*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**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

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 2012**

*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 2012

*continued*

#### 2 Turnover

During the year 68.65% of the company's turnover related to exports (2011 - 70.77%)

An analysis of turnover by geographical location is given below

	2012 £ 000	2011 £ 000
Sales - UK	46,620	43,821
Sales - Europe	92,923	93,712
Sales - Rest of world	9,173	12,395
	<u>148,716</u>	<u>149,928</u>

An analysis of turnover by class of business is given below

	2012 £ 000	2011 £ 000
Business segment 1	148,716	149,928
	<u>148,716</u>	<u>149,928</u>

## Vesuvius UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2012

*continued*

#### 3 Operating profit

Operating profit is stated after charging

	2012 £ 000	2011 £ 000
Operating leases - plant and machinery	2,563	2,412
Depreciation of owned assets	848	672
Amortisation	1,200	1,198
Auditor's remuneration	<u>34</u>	<u>33</u>

#### 4 Exceptional items

		2012 £ 000	2011 £ 000
(Profit) / loss on sale of fixed assets	(Profit) / loss on sale of fixed assets	(203)	(2)
Reorganisation or restructuring	Reorganisation or restructuring	<u>836</u>	<u>1,624</u>
		<u>633</u>	<u>1,622</u>

The reorganisation or restructuring costs include some Head Office redundancies together with a restructuring at our Chesterfield operation. 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

	2012 No.	2011 No.
Administration and support	48	45
Production	228	252
Research and development	31	33
Sales, marketing and distribution	<u>88</u>	<u>90</u>
	<u>395</u>	<u>420</u>

The aggregate payroll costs were as follows

# Vesuvius UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2012

*continued*

	2012 £ 000	2011 £ 000
Wages and salaries	16,838	16,362
Social security costs	1,476	1,384
Staff pensions	1,656	1,631
	<u>19,970</u>	<u>19,377</u>

### 6 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £ 000	2011 £ 000
Remuneration	204	249
Company contributions paid to money purchase schemes	<u>28</u>	<u>26</u>

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

	2012 No.	2011 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director

	2012 £ 000	2011 £ 000
Remuneration	146	171
Company contributions to money purchase pension schemes	28	26
Defined benefit accrued pension entitlement at the end of the period	22	22
Defined benefit accrued lump sum at the end of the period	<u>109</u>	<u>102</u>

### 7 Interest payable and similar charges

	2012 £ 000	2011 £ 000
Interest on bank borrowings	15	14
Interest payable to group undertakings	322	317
Unwinding of discount in relation to reorganisation provision	<u>311</u>	<u>344</u>
	<u>648</u>	<u>675</u>



# **Vesuvius UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2012**

*continued*

### **8 Taxation**

#### **Tax on profit on ordinary activities**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Current tax on income	<u>136</u>	<u>168</u>
Total tax on profit on ordinary activities	<u><u>136</u></u>	<u><u>168</u></u>

#### **Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is lower than (2011 lower than) the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)

The differences are reconciled below

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit on ordinary activities before taxation	<u>6,492</u>	<u>3,761</u>
Corporation tax at standard rate	1,591	997
Capital allowances for period in excess of depreciation	(451)	(716)
Other timing differences	(361)	(430)
Expenses not deductible for tax purposes	215	365
Overseas tax rate difference	136	168
Losses brought forward utilised	(994)	-
Surrender of losses (by)/to group companies	<u>-</u>	<u>(216)</u>
Total current tax	<u><u>136</u></u>	<u><u>168</u></u>

## Vesuvius UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2012

*continued*

#### Factors that may affect future tax charges

The unrecognised deferred tax asset is approximately £6.4m (2011: £8.0m) in respect of operating losses, £1.6m (2011: £2.0m) in respect of other timing differences and £1.2m (2011: £1.9m) 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.

From 1 April 2012 the UK corporation tax rate reduced to 24% from 25%. A further reduction to 23% was substantially enacted on 3 July 2012 and will have effect from 1 April 2013. It is the UK Government's intention to enact legislation which will reduce the main rate of UK Corporation Tax to 22% by 2014 although this has not yet been substantively enacted under IFRS.

#### 9 Intangible fixed assets

	<b>Goodwill</b> <b>£ 000</b>
<b>Cost</b>	
At 1 January 2012	23,988
At 31 December 2012	<u>23,988</u>
<b>Amortisation</b>	
At 1 January 2012	10,923
Charge for the year	<u>1,200</u>
At 31 December 2012	<u>12,123</u>
<b>Net book value</b>	
At 31 December 2012	<u>11,865</u>
At 31 December 2011	<u>13,065</u>

**Vesuvius UK Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2012**

*continued*

**10 Tangible fixed assets**

	Freehold land and buildings £ 000	Plant and machinery £ 000	WIP £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2012	1,737	10,863	1,801	14,401
Additions	-	-	1,463	1,463
Disposals	(547)	(1,687)	(70)	(2,304)
Reclassification	19	2,302	(2,321)	-
At 31 December 2012	<u>1,209</u>	<u>11,478</u>	<u>873</u>	<u>13,560</u>
<b>Depreciation</b>				
At 1 January 2012	394	6,904	-	7,298
Charge for the year	93	755	-	848
Eliminated on disposals	(145)	(1,410)	-	(1,555)
At 31 December 2012	<u>342</u>	<u>6,249</u>	<u>-</u>	<u>6,591</u>
<b>Net book value</b>				
At 31 December 2012	<u>867</u>	<u>5,229</u>	<u>873</u>	<u>6,969</u>
At 31 December 2011	<u>1,343</u>	<u>3,959</u>	<u>1,801</u>	<u>7,103</u>

# Vesuvius UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2012

*continued*

### 11 Investments held as fixed assets

	Investments in subsidiary undertakings £ 000
Cost and net book value	
At 1 January 2012	63
At 31 December 2012	63
	Other investments
	Total £ 000
Cost and net book value	
At 1 January 2012	9
At 31 December 2012	9

### 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

	2012 £ 000	2011 £ 000
Raw materials	6,106	9,596
Work in progress	446	352
Finished goods	10,490	13,559
	17,042	23,507

# **Vesuvius UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2012**

*continued*

### **13 Debtors**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade debtors	17,813	14,680
Amounts owed by group undertakings	50,067	28,073
Prepayments and accrued income	4,412	7,170
	<u>72,292</u>	<u>49,923</u>

### **14 Creditors: Amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade creditors	13,484	14,359
Bank loans and overdrafts	929	-
Amounts owed to group undertakings	54,601	56,465
Other taxes and social security	510	470
Accruals and deferred income	1,842	1,232
	<u>71,366</u>	<u>72,526</u>

### **15 Creditors: Amounts falling due after more than one year**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Accruals and deferred income	<u>246</u>	<u>514</u>

# Vesuvius UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2012

*continued*

### 16 Provisions

	Reorganisation £ 000	Other provision £ 000	Total £ 000
At 1 January 2012	<u>7,433</u>	<u>109</u>	<u>7,542</u>
Charged to the profit and loss account	836	-	836
Utilised during the year	(2,532)	(7)	(2,539)
Unwinding discounted provision during the year	<u>311</u>	<u>-</u>	<u>311</u>
	<u>(1,385)</u>	<u>(7)</u>	<u>(1,392)</u>
At 31 December 2012	<u><u>6,048</u></u>	<u><u>102</u></u>	<u><u>6,150</u></u>

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 closing offices at Tamworth, Staffordshire

The other provision relates principally to environmental matters

### 17 Share capital

*Allotted, called up and fully paid shares*

	2012		2011	
	No.	£ 000	No.	£ 000
Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>

### 18 Reserves

	Profit and loss account £ 000
At 1 January 2012	(33,701)
Profit for the year	<u>6,356</u>
At 31 December 2012	<u><u>(27,345)</u></u>

**Vesuvius UK Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2012**

*continued*

**19 Reconciliation of movement in shareholders' funds**

	<b>2012</b> <b>£ 000</b>	<b>2011</b> <b>£ 000</b>
Profit attributable to the members of the Company	<u>6,356</u>	<u>3,593</u>
Net addition to shareholders' funds	6,356	3 593
Shareholders' funds at 1 January	<u>36,299</u>	<u>32 706</u>
Shareholders' funds at 31 December	<u><u>42,655</u></u>	<u><u>36,299</u></u>

## Vesuvius UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2012

*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 £1,656,000 (2011: £1,631,000). Contributions amounting to £nil (2011: nil) 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. Contributions due to the UK Scheme since 31 July 2010 are being met fully by Vesuvius 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, Vesuvius plc, which are available at the address given in note 23.

#### 21 Commitments

##### **Capital commitments**

Amounts contracted for but not provided in the financial statements amounted to £278,000 (2011: £175,000).

##### **Operating lease commitments**

As at 31 December 2012 the Company had annual commitments under non-cancellable operating leases which expire

	2012 £ 000	2011 £ 000
<b>Land and buildings</b>		
Within one year	87	-
Within two and five years	270	95
Over five years	1,398	1,668
	<u>1,755</u>	<u>1,763</u>
<b>Other</b>		
Within one year	95	215
Within two and five years	594	326
	<u>689</u>	<u>541</u>



## **Vesuvius UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2012**

*continued*

#### **22 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

#### **23 Immediate parent undertaking**

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

The 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