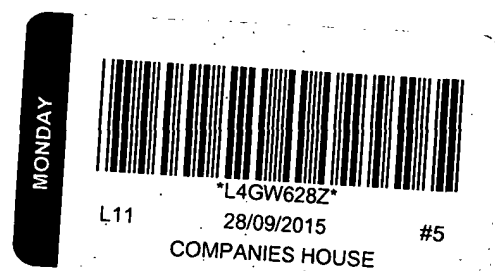


Registration number: 00368205

Wilkes-Lucas Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2014



Wilkes-Lucas Limited
Company Information

Directors	HJ Knowles KF Siow SC Upcott
Company Secretary	D Murray
Registered office	165 Fleet Street London EC4A 2AE
Auditor	KPMG LLP Statutory Auditor and Chartered Accountants 15 Canada Square London E14 5GL

Wilkes-Lucas Limited
Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

Principal activity and review of the business

The Company is a 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 £18,503,888 (2013: £97,387,352). The net assets for the year are £335,997,000 (2013: £317,493,000).

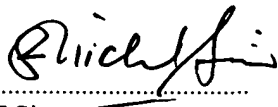
Principal risks and uncertainties

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

Financial counterparty risk

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

Approved by the Board on 29 May 2015 and signed on its behalf by:



.....
KF Siow
Director

Wilkes-Lucas Limited
Directors' Report for the Year Ended 31 December 2014

The Directors present their report and the financial statements for the year ended 31 December 2014.

Directors of the Company

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

BR Elliston (resigned 31 March 2014)

HJ Knowles

KF Siow (appointed 31 March 2014)

SC Upcott

Dividends

The Directors do not recommend payment of a final dividend (2013: £nil).

Political and charitable donations

During the year the Company made political donations of £nil (2013: £nil) and charitable donations of £nil (2013: £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 Auditor

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

Approved by the Board on 29 May 2015 and signed on its behalf by:



.....
KF Siow
Director

Wilkes-Lucas Limited

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

The Directors are responsible for preparing the Strategic Report, 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;
- 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 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 Wilkes-Lucas Limited

We have audited the financial statements of Wilkes-Lucas Limited for the year ended 31 December 2014, set out on pages 7 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 Strategic Report, 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 2014 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 Strategic Report and 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
Wilkes-Lucas 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.


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

Chartered Accountants
15 Canada Square
London
E14 5GL

29 May 2015

Wilkes-Lucas Limited
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Impairment of fixed asset investments reversal	6	39,667	88,412
Operating profit	2	39,667	88,412
Other interest receivable and similar income	3	464	8,975
Interest payable and similar charges	4	(21,627)	-
Profit on ordinary activities before taxation		18,504	97,387
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	10	<u>18,504</u>	<u>97,387</u>

All activities relate to continuing operations.

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

Wilkes-Lucas Limited
(Registration number: 00368205)
Balance Sheet at 31 December 2014

	Note	2014 £ 000	2013 £ 000
Fixed assets			
Investments	6	<u>605,877</u>	<u>566,210</u>
Current assets			
Debtors	7	146,374	410
Cash at bank and in hand		<u>1</u>	<u>4</u>
		146,375	414
Creditors: Amounts falling due within one year	8	<u>(416,255)</u>	<u>(249,131)</u>
Net current liabilities		<u>(269,880)</u>	<u>(248,717)</u>
Net assets		<u><u>335,997</u></u>	<u><u>317,493</u></u>
Capital and reserves			
Called up share capital	9	10	10
Profit and loss account	10	<u>335,987</u>	<u>317,483</u>
Shareholders' funds	11	<u><u>335,997</u></u>	<u><u>317,493</u></u>

Approved by the Board on 29 May 2015 and signed on its behalf by:



.....
KF Siow
Director

Wilkes-Lucas Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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 financial statements have been prepared on the going concern basis, notwithstanding net current liabilities as shown on page 8, which the Directors believe to be appropriate for the following reason. The Company is dependent for its working capital on funds provided to it by Vesuvius plc, the Company's ultimate parent. Vesuvius plc has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company. The Directors consider that this should enable the Company to continue in operational existence for the foreseeable future and to meet its liabilities as they fall due for payment.

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.

Fixed asset investments

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

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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.

Wilkes-Lucas Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

2 Operating profit

Other than the Directors, the Company had no employees during the year (2013: nil). The Directors received remuneration of £nil (2013: £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 (2013: £4,000).

3 Other interest receivable and similar income

	2014 £ 000	2013 £ 000
Interest receivable from group undertakings	464	413
Foreign exchange gains	-	8,562
	<u>464</u>	<u>8,975</u>

4 Interest payable and similar charges

	2014 £ 000	2013 £ 000
Foreign exchange losses	21,627	-
	<u>21,627</u>	<u>-</u>

Wilkes-Lucas Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

5 Taxation

Tax on profit on ordinary activities

	2014 £ 000	2013 £ 000
Total tax on profit on ordinary activities	-	-

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2013: lower than) the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%).

The differences are reconciled below:

	2014 £ 000	2013 £ 000
Profit on ordinary activities before taxation	18,504	97,387
Corporation tax at standard rate	3,978	22,642
Income not chargeable for tax purposes	(8,528)	(20,555)
Losses claimed from / (surrendered to) group	4,550	(2,087)
Total current tax	-	-

Factors that may affect future tax charges

The unrecognised deferred tax asset is approximately £22,865,068 (2013: £19,162,830) in respect of non-trading deficits. 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 2014, the UK corporation tax rate reduced to 21% from 23%. Further corporate tax rate reductions to 20% from 1 April 2015 were substantively enacted on 2 July 2013.

Wilkes-Lucas Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

6 Investments held as fixed assets

	Investments in subsidiary undertakings £ 000
Cost	
At 1 January 2014	768,683
At 31 December 2014	768,683
Provision for impairment	
At 1 January 2014	202,473
Impairment reversal	(39,667)
At 31 December 2014	162,806
Net book value	
At 31 December 2014	605,877
At 31 December 2013	566,210

Details of undertakings

The principal subsidiaries of Wilkes-Lucas Limited and the countries in which they are incorporated are as follows:

Vesuvius Ceramics Ltd, England and Wales	** Vesuvius Americas Holdings, Inc., USA
* Vesuvius America, Inc., USA	** Vesuvius Crucible Company, USA
** Vesuvius U.S.A Corporation, USA	

Where marked with an asterisk (*), the ordinary capital of the above companies was owned by Wilkes-Lucas Limited and a subsidiary, and where marked with double asterisks (**), the companies were owned by a Wilkes-Lucas Limited subsidiary, at 31 December 2014. 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 £39,667,225. 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 10.3% and 15.0%.

7 Debtors

	2014 £ 000	2013 £ 000
Amounts owed by group undertakings	146,374	410
	146,374	410

Wilkes-Lucas Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

8 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Amounts owed to group undertakings	<u>416,255</u>	<u>249,131</u>

9 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£ 000	No.	£ 000
Ordinary shares of £0.00005 each (2013: £0.00005) each	<u>204,903,702</u>	<u>10</u>	<u>204,903,702</u>	<u>10</u>

10 Reserves

	Profit and loss account £ 000
At 1 January 2014	317,483
Profit for the year	<u>18,504</u>
At 31 December 2014	<u>335,987</u>

11 Reconciliation of movement in shareholders' funds

	2014 £ 000	2013 £ 000
Profit attributable to the members of the Company	<u>18,504</u>	<u>97,387</u>
Net addition to shareholders' funds	18,504	97,387
Shareholders' funds at 1 January	<u>317,493</u>	<u>220,106</u>
Shareholders' funds at 31 December	<u>335,997</u>	<u>317,493</u>

Wilkes-Lucas Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

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 Vesuvius Investments Limited (formerly Cookson Investments Limited).

The Company's ultimate controlling party is 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.