

Registration number 383505

# Foseco Overseas Limited

Directors' Report and Financial Statements  
for the Year Ended 31 December 2011



**Foseco Overseas Limited**  
**Company Information**

<b>Directors</b>	BR Elliston RMH Malthouse R Sykes
<b>Company Secretary</b>	RS Fell
<b>Registered office</b>	165 Fleet Street London EC4A 2AE
<b>Auditor</b>	KPMG Audit Plc Statutory Auditor and Chartered Accountants 15 Canada Square London E14 5GL

**Foseco Overseas 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

O Dallemagne (resigned 30 April 2012)

BR Elliston

RMH Malthouse

R Sykes

**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 4. The Directors do not envisage any change to the business of the Company in the foreseeable future.

**Results and dividends**

The result for the year is shown on page 5. The Directors do not recommend payment of a final dividend (2010: £nil).

**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:

***Recoverability of intercompany receivables***

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

**Political and charitable donations**

During the year the Company made political donations of £nil (2010: £nil) and charitable donations of £nil (2010: £nil).


**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**

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

Approved by the Board on 9 July 2012 and signed on its behalf by



RS Fell  
Company Secretary

**Foseco Overseas 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, 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 Foseco Overseas Limited**

We have audited the financial statements of Foseco Overseas Limited for the year ended 31 December 2011, set out on pages 5 to 10. 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 3, 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](http://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.

### **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.



Stephen Oxley (Senior Statutory Auditor)

For and on behalf of KPMG Audit Plc, Statutory Auditors

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

9 July 2012

**Foseco Overseas Limited**  
**Profit and Loss Account for the Year Ended 31 December 2011**

	Note	2011 £ 000	2010 £ 000
Other operating income		500	-
Operating profit	2	500	-
Income from shares in group undertakings		867	901
Profit on ordinary activities before taxation		1,367	901
Tax on profit on ordinary activities	3	-	-
Profit for the financial year	8	1,367	901

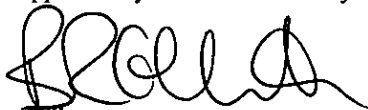
All activities relate to continuing operations

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

**Foseco Overseas Limited**  
**(Registration number: 383505)**  
**Balance Sheet at 31 December 2011**

	Note	2011 £ 000	2010 £ 000
<b>Fixed assets</b>			
Investments	4	<u>34,190</u>	<u>34,190</u>
<b>Current assets</b>			
Debtors	5	<u>43,150</u>	<u>42,283</u>
		43,150	42,283
Creditors Amounts falling due within one year	6	<u>(44,121)</u>	<u>(44,621)</u>
Net current liabilities		<u>(971)</u>	<u>(2,338)</u>
Net assets		<u>33,219</u>	<u>31,852</u>
<b>Capital and reserves</b>			
Called up share capital	7	15,154	15,154
Profit and loss account	8	<u>18,065</u>	<u>16,698</u>
Shareholders' funds	9	<u>33,219</u>	<u>31,852</u>

Approved by the Board on 9 July 2012 and signed on its behalf by



BR Elliston  
Director

## **Foseco Overseas Limited**

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

#### **1 Accounting policies**

##### **Basis of preparation**

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

##### **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 financial statements have been prepared on the going concern basis, notwithstanding net current liabilities as shown on page 6, 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 Cookson Group plc, the Company's ultimate parent. Cookson Group 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 by meeting 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 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.

##### **Fixed asset investments**

Investments in subsidiary undertakings ('subsidiaries') 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 Overseas Limited

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

*continued*

#### 2 Operating profit

Other than the Directors, the Company had no employees during the year (2010 nil) The Directors received remuneration of £nil (2010 £nil) in respect of services to the Company during the year An allocated audit fee was borne by the ultimate parent undertaking, Cookson Group plc, of £4,000 (2010 £4,000)

#### 3 Taxation

##### Tax on profit on ordinary activities

	2011 £ 000	2010 £ 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 (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	1,367	901
Corporation tax at standard rate	362	252
Income not taxable	(230)	(252)
Losses claimed from group companies	(132)	-
Total current tax	-	-

##### Factors that may affect future tax charges

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011 and a further reduction to 25% with effect from 1 April 2012 These changes became substantively enacted on 29 March 2011 and 5 July 2011 respectively

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014 A further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012

# Foseco Overseas Limited

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

*continued*

### 4 Investments held as fixed assets

	Investments in subsidiary undertakings £ 000	Loans to subsidiary undertakings £ 000	Total fixed asset investments £ 000
<b>Cost</b>			
At 1 January 2011	53,544	12,094	65,638
At 31 December 2011	53,544	12,094	65,638
<b>Provision for impairment</b>			
At 1 January 2011	31,448	-	31,448
At 31 December 2011	31,448	-	31,448
<b>Net book value</b>			
At 31 December 2011	22,096	12,094	34,190
At 31 December 2010	22,096	12,094	34,190

### Details of undertakings

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

Foseco Transnational Ltd, England & Wales  
 \* Vesuvius Refractories (Tianjin) Co Ltd, China

\* Foseco Foundry (China) Ltd, China  
 Foseco India Ltd, India (58%)

Where marked with an asterisk (\*), the ordinary capital of the above companies was owned by a Foseco Overseas Limited subsidiary at 31 December 2011. All of the above are wholly-owned, unless otherwise stated

### 5 Debtors

	2011 £ 000	2010 £ 000
Amounts owed by group undertakings	43,150	42,283

### 6 Creditors: Amounts falling due within one year

	2011 £ 000	2010 £ 000
Amounts owed to group undertakings	44,121	44,121
Accruals and deferred income	-	500
	44,121	44,621

# Foseco Overseas Limited

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

*continued*

### 7 Share capital

#### Allotted, called up and fully paid shares

	2011		2010	
	No.	£ 000	No.	£ 000
Ordinary shares of £0.25 each	60,616,139	15,154	60,616,139	15,154

### 8 Reserves

	Profit and loss account £ 000
At 1 January 2011	16,698
Profit for the year	1,367
At 31 December 2011	18,065

### 9 Reconciliation of movement in shareholders' funds

	2011 £ 000	2010 £ 000
Profit attributable to the members of the Company	1,367	901
Net addition to shareholders' funds	1,367	901
Shareholders' funds at 1 January	31,852	30,951
Shareholders' funds at 31 December	33,219	31,852

### 10 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

### 11 Immediate parent undertaking

The immediate parent undertaking is Foseco (UK) 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