

Registered number  
383505

**Foseco Overseas Limited**  
**Report and Financial Statements**  
**31 December 2009**



**Foseco Overseas Limited**

Registered number 383505

**Directors' Report**

The Directors present their report and audited financial statements for the year ended 31 December 2009

**Principal activities 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 7

**Results and dividends**

The profit for the year amounted to £9,551,000 (2008 loss of £168,000) The Directors do not recommend the payment of a dividend (2008 £nil)

**Political and charitable contributions**

The Company made no political or charitable contributions during the year

**Directors**

The Directors who held office during the year were as follows

O Dallemagne  
R Sykes  
BR Elliston  
RMH Malthouse

**Disclosure of information to 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 he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit plc will therefore continue in office

BY ORDER OF THE BOARD

*RS Fell*

Miss RS Fell  
Company Secretary

4 August 2010  
165 Fleet Street  
London  
EC4A 2AE

## **Foseco Overseas Limited**

### **Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they 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 then 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 2009, set out on pages 4 to 9. 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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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.fic.org.uk/apb/scope/UKNP](http://www.fic.org.uk/apb/scope/UKNP).

### **Opinion on 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 2009 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.

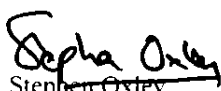
### **Opinion on other matters prescribed by the Companies Act 2006**

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 Auditor

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

4 August 2010

# Foseco Overseas Limited

## Profit and Loss Account For the year ended 31 December 2009

	Notes	<u>2009</u>	<u>2008</u>
		£'000	£'000
Impairment of fixed asset investments reversal / (charge)	7	1	(902)
<b>Operating profit / (loss)</b>	2	1	(902)
Income from investments	3	9,550	692
Interest payable and similar expenses	4	-	(93)
Restructuring costs	5	-	(1)
Profit on disposal of fixed asset investments		-	136
<b>Profit / (loss) on ordinary activities before taxation</b>		9,551	(168)
Tax on profit / (loss) on ordinary activities	6	-	-
<b>Profit / (loss) for the financial year</b>	10	9,551	(168)

The Company had no recognised gains or losses for the two financial years other than those disclosed above

All activities relate to continuing operations

There are no material differences between the profit / (loss) on ordinary activities before taxation and the profit / (loss) for the financial year stated above and their historical cost equivalents

**Foseco Overseas Limited**  
Registered number 383505

**Balance Sheet**  
**As at 31 December 2009**

	Notes	2009	2008
		£'000	£'000
<b>Fixed assets</b>			
Investments	7	58,695	49,495
<b>Current assets</b>			
Amounts owed by group undertakings		16,877	16,706
<b>Creditors: amounts falling due within one year</b>	8	<u>(44,621)</u>	<u>(44,801)</u>
<b>Net current liabilities</b>		(27,744)	(28,095)
<b>Net assets</b>		<u>30,951</u>	<u>21,400</u>
<b>Capital and reserves</b>			
Called up share capital	9	15,154	15,154
Profit and loss account	10	<u>15,797</u>	<u>6,246</u>
<b>Equity shareholders' funds</b>	11	<u>30,951</u>	<u>21,400</u>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 4 August 2010, and signed on their behalf by



BR Elliston  
Director

## **Foseco Overseas Limited**

### **Notes to the Financial Statements For the year ended 31 December 2009**

#### **1 Accounting policies**

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

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

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £27,744,000, which the Directors believe to be appropriate for the following reasons. 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.

##### ***Presentation of the financial statements***

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.

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.

##### ***Investments***

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

##### ***Foreign currencies***

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.

##### ***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.

#### **2 Operating profit / (loss)**

Other than the Directors, the Company had no employees during the year (2008: nil). The Directors received no remuneration (2008: nil) in respect of their services to the Company during the year. An allocated audit fee of £4,000 (2008: £4,000) was borne by the ultimate parent undertaking, Cookson Group plc.

#### **3 Income from investments**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Dividends received from subsidiary undertakings	<u>9,550</u>	<u>692</u>

# Foseco Overseas Limited

## Notes to the Financial Statements (continued) For the year ended 31 December 2009

### 4 Interest payable and similar expenses

	2009 £'000	2008 £'000
Foreign exchange losses	-	93

### 5 Restructuring costs

	2009 £'000	2008 £'000
Expenses associated with the sale of the Foseco group of companies to Cookson Group plc	-	1

### 6 Taxation

	2009 £'000	2008 £'000
<i>Analysis of charge / (credit) in period</i>		
UK corporation tax at 28% (2008 28.5%)	-	276
Double tax relief	-	(276)
Tax on profit / (loss) on ordinary activities	-	-
<i>Current tax reconciliation</i>		
Profit / (loss) on ordinary activities before tax	9,551	(168)
Current tax charge / (credit) at 28% (2008 28.5%)	2,674	(48)
Effects of		
Overseas tax rate difference	-	79
Double tax relief	(66)	(276)
Expenses not deductible for tax purposes	-	257
Income not taxable	(2,608)	(39)
Losses claimed from group	-	27
Total current tax (see above)	-	-



## Foseco Overseas Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2009

#### 7 Fixed asset investments

	Investments in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total fixed asset investments £'000
<b>Cost</b>			
At 1 January 2009	64,544	16,400	80,944
Additions	-	9,199	9,199
At 31 December 2009	<u>64,544</u>	<u>25,599</u>	<u>90,143</u>
<b>Provisions</b>			
At 1 January 2009	31,449	-	31,449
Impairment reversal	(1)	-	(1)
At 31 December 2009	<u>31,448</u>	<u>-</u>	<u>31,448</u>
<b>Net book value</b>			
At 31 December 2009	<u>33,096</u>	<u>25,599</u>	<u>58,695</u>
At 31 December 2008	<u>33,095</u>	<u>16,400</u>	<u>49,495</u>

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

Foseco International Ltd, England & Wales  
Foseco Transnational Ltd, England & Wales  
Foseco Refractories Tianjin Co Ltd, China

Foseco Foundry (China) Ltd, China  
Foseco India Ltd, India

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 £1,000. The total recoverable amount of its investments in subsidiaries was measured by reference to the value in use of the investments, using risk-adjusted discount rate of 12.9%.

#### 8 Creditors amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to parent undertaking	19,752	19,752
Amounts owed to group undertakings	24,369	24,549
Tax liability provision	<u>500</u>	<u>500</u>
	<u>44,621</u>	<u>44,801</u>

## **Foseco Overseas Limited**

### **Notes to the Financial Statements (continued) For the year ended 31 December 2009**

#### **9 Share capital**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Authorised 76,968,000 ordinary shares of 25p each	<u>19,242</u>	<u>19,242</u>
Allotted, called up and fully paid 60,616,139 ordinary shares of 25p each	<u>15,154</u>	<u>15,154</u>

#### **10 Profit and loss account**

	<b>2009 £'000</b>	<b>2008 £'000</b>
At 1 January	6,246	6,414
Profit / (loss) for the financial year	<u>9,551</u>	<u>(168)</u>
At 31 December	<u>15,797</u>	<u>6,246</u>

#### **11 Reconciliation of movement in equity shareholders' funds**

	<b>2009 £'000</b>	<b>2008 £'000</b>
At 1 January	21,400	21,568
Profit / (loss) for the financial year	<u>9,551</u>	<u>(168)</u>
At 31 December	<u>30,951</u>	<u>21,400</u>

#### **12 Ultimate parent undertaking**

The immediate parent undertaking is Foseco (UK) Limited

The Company's ultimate parent undertaking 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