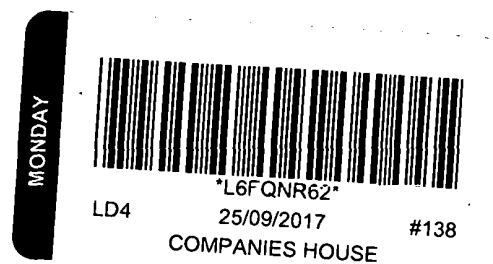


Registration number: 00383505

Foseco Overseas Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016



Foseco Overseas Limited

Company Information

| | |
|----------------------------|---|
| Directors | HJ Knowles SC Upcott IJ Lawson |
| Company secretary | D Murray |
| Registration Number | 00383505 |
| Registered office | 165 Fleet Street London EC4A 2AE |
| Incorporated | a Private Limited Company incorporated in England & Wales |
| Auditor | KPMG LLP 15 Canada Square London E14 5GL |

Foseco Overseas Limited

Strategic Report for the Year Ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

Fair review of the business

Foseco Overseas Limited (the "Company") is an investment holding company for investments in group undertakings, and its investing activities during the year are detailed in the investments note. The Directors do not envisage any change in the business of the Company in the foreseeable future.

The profit before tax for the year is £945,000 (2015: £1,101,000). The net assets for the year are £37,470,000 (2015: £36,525,000).

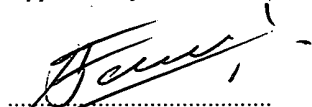
Principal risks and uncertainties

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 14 September 2017 and signed on its behalf by:



.....
J. Lawson
Director

Foseco Overseas Limited

Directors' Report for the Year Ended 31 December 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors of the company

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

HJ Knowles

KF Siow (resigned 21 December 2016)

SC Upcott (appointed 29 April 2016)

The following director was appointed after the year end:

IJ Lawson (appointed 5 April 2017)

Dividends

The Directors do not recommend payment of a final dividend (2015: £nil).

Political and charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the year.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Independent auditor

In accordance with section 485 of the Companies Act 2006, an ordinary resolution for the approval of the appointment of Mazars LLP as auditor of the Company will be presented to the shareholders following the signing of these financial statements. KPMG LLP remains the auditor for the year ended 31 December 2016.

Approved by the Board on 14 September 2017 and signed on its behalf by:



IJ Lawson
Director

Foseco Overseas Limited

Statement of Directors' Responsibilities

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 year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 FRS 101 has 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.

Foseco Overseas Limited

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 2016, set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

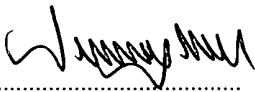
Foseco Overseas Limited

Independent Auditor's Report to the Members of Foseco Overseas Limited

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

15 Canada Square
London
E14 5GL

14 September 2017

Foseco Overseas Limited

Profit and Loss Account for the Year Ended 31 December 2016

| | Note | 2016 £ 000 | 2015 £ 000 |
|--|------|---------------|---------------|
| Fixed asset investments (impairment)/ reversal | | <u>(1)</u> | <u>1</u> |
| Operating (loss)/profit | 2 | (1) | 1 |
| Income from shares in group undertakings | | <u>946</u> | <u>1,100</u> |
| Profit before tax | | 945 | 1,101 |
| Tax on profit on ordinary activities | 3 | <u>-</u> | <u>-</u> |
| Profit for the year | | <u>945</u> | <u>1,101</u> |

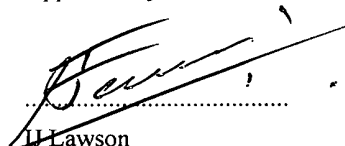
The above results were derived from continuing operations.

Foseco Overseas Limited

(Registration number: 00383505)
Balance Sheet as at 31 December 2016

| | Note | 2016 £ 000 | 2015 £ 000 |
|--|------|-----------------|-----------------|
| Non-current assets | | | |
| Investments | 4 | 22,096 | 22,097 |
| Debtors | 5 | <u>59,492</u> | <u>58,546</u> |
| | | 81,588 | 80,643 |
| Current assets | | | |
| Cash at bank and in hand | | <u>2</u> | <u>2</u> |
| Total assets less current liabilities | | 81,590 | 80,645 |
| Creditors: Amounts falling due after more than one year | | | |
| Creditors | 6 | <u>(44,120)</u> | <u>(44,120)</u> |
| Net assets | | <u>37,470</u> | <u>36,525</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 15,154 | 15,154 |
| Profit and loss account | | <u>22,316</u> | <u>21,371</u> |
| Shareholders' funds | | <u>37,470</u> | <u>36,525</u> |

Approved by the Board on 14 September 2017 and signed on its behalf by:



W Lawson

Director

The notes on pages 10 to 14 form an integral part of these financial statements.

Foseco Overseas Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

| | Share capital £ 000 | Retained earnings £ 000 | Total £ 000 |
|----------------------------|------------------------|-------------------------------|----------------|
| At 1 January 2016 | 15,154 | 21,371 | 36,525 |
| Profit for the year | - | 945 | 945 |
| Total comprehensive income | - | 945 | 945 |
| At 31 December 2016 | 15,154 | 22,316 | 37,470 |
| | Share capital £ 000 | Retained earnings £ 000 | Total £ 000 |
| At 1 January 2015 | 15,154 | 20,270 | 35,424 |
| Profit for the year | - | 1,101 | 1,101 |
| Total comprehensive income | - | 1,101 | 1,101 |
| At 31 December 2015 | 15,154 | 21,371 | 36,525 |

The notes on pages 10 to 14 form an integral part of these financial statements.

Foseco Overseas Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework 'FRS 101'.

The amendments to FRS 101 (2014/15 Cycle and 2015/2016 Cycles) issued in July 2015 and June 2016 respectively and both effective from 1 January 2016 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 had no effect on the reported financial position, financial performance and cash flows of the Company.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of Key Management Personnel.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

During the year, we split out the amounts owed by/to group undertakings into current and non current, to be in line with the expected repayment time frame.

Summary of disclosure exemptions

Exemption from preparing a cash flow statement

The Company is exempt from the requirement 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.

Foseco Overseas Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

Fixed asset investments

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

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet. Foreign exchange gains and losses arising on the retranslation of monetary assets and liabilities are reported in the P&L under other interest receivable and similar income and interest payable and similar charges respectively.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

2 Operating profit/(loss)

Other than the Directors, the Company had no employees during the year (2015: nil). The Directors received remuneration of £nil (2015: £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 (2015: £4,000).

3 Income tax

Tax charged/(credited) in the profit and loss account

| | 2016 £ 000 | 2015 £ 000 |
|-------------------------|---------------|---------------|
| Current taxation | | |
| UK Corporate Taxation | <u>-</u> | <u>-</u> |

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015: lower than the standard rate of corporation tax in the UK) of 20% (2015: 20.25%).

The differences are reconciled below:

Foseco Overseas Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

| | 2016 £ 000 | 2015 £ 000 |
|---|---------------|---------------|
| Profit before tax | 945 | 1,101 |
| Corporation tax at standard rate | (189) | (223) |
| (Decrease) from effect of revenues exempt from taxation | 189 | 223 |
| Total tax charge | - | - |

Factors that may affect future tax charges

Further UK corporation tax rate reductions to 19% from April 2017 and 17% from 1 April 2020, were substantively enacted on 6 September 2016.

4 Investments

| | Investment in subsidiary undertakings £000 |
|-------------------------------------|---|
| Cost | |
| At 1 January 2016 | 53,544 |
| At 31 December 2016 | 53,544 |
| Provision for impairment | |
| At 1 January 2016 | (31,447) |
| Impairment charge | 1 |
| At 31 December 2016 | (31,448) |
| Net book value | |
| At 1 January 2016 | 22,097 |
| At 31 December 2016 | 22,096 |

Details of undertakings

Details of the subsidiaries as at 31 December 2016 are as follows:

| Name of subsidiary | Country | Registered office |
|------------------------------|-----------------|--|
| Foseco Transnational Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Foseco Technology Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Minerals Separation Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Unicorn Industries Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Foseco India Limited * | India | 922/923, Gat, Sanaswadi, Taluka, Shirur, Pune, 412208, India |

Foseco Overseas Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

| Name of subsidiary | Country | Registered office |
|---------------------------------------|-----------------|---|
| Foseco (GB) Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Foseco Foundry (China) Limited | China | Room 819, Shekou Zhaoshang building, Nanshan District, Shenzhen, China. |
| Foseco (FS) Limited | England & Wales | 1 Midland Way, Central Park, Barlborough Links, DERBYSHIRE, S43 4XA, United Kingdom |
| Foseco Holding International Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Tamworth UK Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Foseco (MRL) Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |
| Foseco Steel (Holdings) China Limited | England & Wales | 165 Fleet Street, London, EC4A 2AE, England |

those marked with * are not wholly owned by Foseco Overseas Limited

5 Trade and other receivables

| | 2016 £ 000 | 2015 £ 000 |
|-----------------------------------|---------------|---------------|
| Amounts owed by group undertaking | <u>59,492</u> | <u>58,546</u> |

6 Trade and other payables

| | 2016 £ 000 | 2015 £ 000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | <u>44,120</u> | <u>44,120</u> |

7 Share capital

Allotted, called up and fully paid shares

| | 2016 | 2015 |
|-------------------------------|-----------------------------|-----------------------------|
| | No. 000 £ 000 | No. 000 £ 000 |
| Ordinary Shares of £0.25 each | <u>60,616</u> <u>15,154</u> | <u>60,616</u> <u>15,154</u> |

The Company only has one class of shares in issue, Ordinary Shares. All shareholders enjoy the same rights in relation to these shares, including rights in relation to voting at general meetings of the Company, distribution of dividends and repayment of capital.

Foseco Overseas Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

8 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 101 and has therefore not disclosed transactions or balances with entities which form part of the Vesuvius plc group.

9 Parent and ultimate parent undertaking

The company's immediate parent is Foseco (UK) Limited.

The most senior parent entity producing publicly available financial statements is Vesuvius plc. These financial statements are available upon request from the Company Secretary, Vesuvius plc, 165 Fleet Street, London EC4A 2AE.