

Registration number: 00758145

Vesuvius Financial 1 Limited
Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2020



Vesuvius Financial 1 Limited

Company Information

Directors

HJ Knowles

G Godin

E Gingell

Company secretary

J Smith

Registration Number

00758145

Registered office

165 Fleet Street

London

EC4A 2AE

Incorporated

A Private Limited Company incorporated in England & Wales

Vesuvius Financial 1 Limited

Director's Report for the Year Ended 31 December 2020

The Directors present their annual report and the unaudited financial statements for the year ended 31 December 2020.

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The Directors have taken exemption under this regime not to disclose the strategic report.

Directors of the Company

The directors, who held office during the year, and up to the date of this Report unless otherwise stated are as follows:

HJ Knowles

G Godin

E Gingell

Principal activity

The Company remained dormant throughout the year.

Dividends

No dividends were paid or recommended during the current and prior year.

Political and charitable donations

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

Directors' indemnity provisions

The ultimate parent company of Vesuvius Financial 1 Limited maintains Directors' indemnity cover for all Directors.

Auditor

The Company is dormant within the meaning of section 1169 of the Companies Act 2006, and the Company being eligible, has not appointed an auditor.

Vesuvius Financial 1 Limited

Director's Report for the Year Ended 31 December 2020 (continued)

Going Concern

COVID 19

The Company is a holding investment company and therefore there have been no major operational impacts from COVID-19.

Its ultimate parent company, Vesuvius plc (the Group) has considered the risks to the Group's liquidity and viability in connection with the COVID-19, including those that may be relevant to the Company. A detailed exercise was performed by Vesuvius plc as part of the announcement of its annual results to 31 December 2020 to determine the impact of the decline in its revenues and turnover as compared to 2019 on going concern for the Group. Based on this, Group management consider that the Group is in a robust financial position, with a strong balance sheet and liquidity position, as well as covenant headroom and is acting to conserve cash so as to remain well positioned for long term success. Although the full extent of the potential impact of COVID-19 on the Group's business, operations and the global economy as a whole is not yet clear, Group management continue to respond to the COVID-19 pandemic as effectively as possible.

The Directors of the Company are satisfied that the COVID-19 pandemic has not materially impacted the Company's financial position or its performance at the date of these financial statements, particularly in relation to the valuation of investments held and the recoverability of intercompany balances. Accordingly, the financial statements have been prepared on a going concern basis. This remains a matter of close attention for the Board.

Brexit

Vesuvius has analysed the potential challenges posed by Brexit and identified mitigation strategies to address those challenges. For our customers located in the EU27 countries, most of our products are manufactured by Vesuvius outside the UK, so we did not envisage a material impact from Brexit after the expiry of the transition period. To date this has been borne out in our experience. For those customers located in the UK or located in the EU27 and supplied from our UK plants, we have contingency plans and we are working with these customers to meet their needs in a cost-efficient way.

Following Brexit, the EU Parent Subsidiary and Interest and Royalty directives no longer apply to dividend, interest and other payments to Vesuvius in the UK. Additional withholding taxes will therefore become payable subject to reliefs available under applicable tax treaties. The Group does not expect the impact of the changes to be material to its tax position.

Approved by the Board on 1 September 2021 and signed on its behalf by:



G Godin
Director

Vesuvius Financial 1 Limited

Balance Sheet as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Non-current assets			
Investments	3	30,315	30,315
Amounts owed by group undertakings		355	355
		<u>30,670</u>	<u>30,670</u>
Creditors: Amounts falling due after more than one year			
Amounts owed to group undertakings		-	-
Net assets		<u>30,670</u>	<u>30,670</u>
Capital and reserves			
Called up share capital	4	30,533	30,533
Profit and loss account		137	137
Shareholders' funds		<u>30,670</u>	<u>30,670</u>

For the financial year ending 31 December 2020 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Director's responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 1 September 2021 and signed on its behalf by:


G Godin
Director

Registration number: 00758145

Vesuvius Financial 1 Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

1 General information

Vesuvius Financial 1 Limited (the 'Company') is a private company limited by share capital, incorporated and domiciled in England & Wales.

The address of its registered office is:

165 Fleet Street
London
EC4A 2AE

The Company was dormant and has not traded during the year.

2 Accounting policies

Basis of preparation

The financial statements of Vesuvius Financial 1 Limited have been prepared in accordance with United Kingdom Accounting Standards comprising FRS 101 'Reduced Disclosure Framework' ('FRS 101') (United Kingdom Generally Accepted Accounting Practice), and applicable law. The financial statements have been prepared under the historical cost convention apart from financial assets and liabilities (including derivative instruments) which are carried at fair value through the profit or loss.

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

We split out the amounts owed by/to group undertakings into non-current and current, to be in line with the expected repayment timeframe.

The Company's parent undertaking, Vesuvius plc includes the Company in its consolidated financial statements. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The consolidated financial statements of Vesuvius plc are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and are available to the public and may be obtained from 165 Fleet Street, London EC4A 2AE.

Summary of disclosure exemptions

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; (IAS 1 para 10(d) and IAS 7)
- Comparative period reconciliation of investments; (IAS 1 Para 38)
- Disclosures in respect of related party transactions with wholly owned members of the Vesuvius plc Group (IAS 24 para 17)
- Disclosures in respect of capital management; (IAS 1 para 134-136)
- Disclosures in respect of fair value measurements (IFRS 13 para 91-99)
- Disclosures in respect of leases (IFRS 16 para 52, 89-91, 93)
- The effects of new but not yet effective IFRSs (IAS 8 para 30-31)

As the consolidated financial statements of the ultimate parent undertaking, Vesuvius plc, include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 (para 45(b) and 46-52) Share Based Payment in respect of Group settled share-based payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Vesuvius Financial 1 Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

2 Accounting policies (continued)

Going concern

Details of the impact of COVID-19 are provided in the Directors' Report. The Directors of the Company are satisfied that there are no material events or uncertainties that they are aware of which will impact the ability of the Company to continue as a going concern.

The Directors consider that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of these financial statements. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

Investments

Shares in subsidiaries and loans to subsidiaries are stated at cost less any impairment in value.

Impairment of Investment in Subsidiaries

The Company carries out an annual investment impairment test, the recoverable amount of the investment is checked against its carrying value and any impairment triggers identified.

Issued share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are paid.

Critical Accounting Judgement and Estimates

Determining the carrying amount of some assets and liabilities requires the estimation of the effect of uncertain future events. The major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities are noted below.

Recoverability of intercompany receivables

Where amounts are due from group companies with net liabilities, an assessment of their recoverability is performed to ensure that they will be able to meet their obligations as they fall due.

Impairment and classification of intercompany balances

Intercompany balances are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a 12-month expected loss allowance for amounts due from other group companies.

Impairment and valuation of investments

The Company assesses its investments in subsidiaries and other companies for impairment shortly before the Company's year-end or whenever events or changes in circumstances indicate that the recoverable amount of the investment could be less than the carrying amount of the investment. If this is the case, the investment is considered to be impaired and is written down to its recoverable amount. Judgement is required in the determination of the recoverable amount as the Company evaluates various factors related to the operational and financial position of the relevant investee business, appropriate discounting and long-term growth rates.

Determining whether investments are impaired requires an estimation of the value-in-use. The value-in-use calculation requires estimation of future cash flows expected to arise, the selection of suitable discount rates and the estimation of long-term growth rates. As determining such assumptions is inherently uncertain and subject to future factors, there is the potential these may differ in subsequent periods and therefore materially change the conclusions reached. In light of this, consideration is made each year as to whether sensitivity disclosures are required for reasonably possible changes to assumptions.

Vesuvius Financial 1 Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

3 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2020	30,315
At 31 December 2020	30,315
Carrying amount	
At 31 December 2020	30,315
At 31 December 2019	30,315

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of undertaking	Country	Registered office
Vesuvius Group Limited	England and Wales	165 Fleet Street, London, EC4A 2AE, England
Vesuvius India Limited *	India	P-104 Taratala Road, Kolkata, 700 088, India
Vesuvius Japan Inc.*	Japan	Daini-Naruse Akihabara Bldg. 3F, 27-10, 1-chome, Taito, Taito-ku, Tokyo, 110-0016, Japan
Vesuvius (Thailand) Co. Ltd*	Thailand	170/69, 22nd Floor Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand
Fosco (Thailand) Limited*	Thailand	170/69, 22nd Floor Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand

Those companies marked with an asterisk (*) are not directly owned by Vesuvius Financial 1 Limited. All companies other than Vesuvius India Limited and Fosco (Thailand) Limited are wholly owned by the most senior parent entity. Vesuvius India Limited is owned 55.57% by the Vesuvius plc Group, and 44.43% of its shares are held by third parties. Fosco (Thailand) Limited is owned 74.0% by the Vesuvius plc Group, and 26.0% of its shares are held by a third party.

4 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	30,533	30,533	30,533	30,533

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.

Vesuvius Financial 1 Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

5 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 which form part of the Vesuvius plc group.

6 Parent and ultimate parent undertaking

The Company's immediate parent is Vesuvius Holdings 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