

REGISTERED NUMBER: 01352995 (England and Wales)

**Strategic Report, Directors' Report and
Audited Financial Statements for the Year Ended 31 December 2018**
for
Terrassen Holdings Limited



Terrassen Holdings Limited

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for the Year Ended 31 December 2018**

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Terrassen Holdings Limited

**Strategic Report
for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

BUSINESS REVIEW

The Company is a wholly-owned subsidiary of Morgan Advanced Materials plc (Morgan Group) and operates as an investment holding company. Its investment activities during the year are detailed in note 9. There were no additions to investments in the year. 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 was £9,323,000 (2017: £7,130,000). Dividends of £9,347,000 (2017: £5,799,590) were received from subsidiaries in the year.

RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The principal risk to the Company is the permanent diminution in the value of its investments. Investments are tested for impairment at each balance sheet date.

A secondary risk relates to the Company's treasury operations. These are monitored and co-ordinated by the central treasury department at Morgan Advanced Materials plc on behalf of the entire Morgan Group. This includes the risk of potential failure by counterparties holding cash deposits on behalf of group companies.

ON BEHALF OF THE BOARD:


.....
C R Collins - Director

Date:

24/9/19

Terrassen Holdings Limited

**Directors' Report
for the Year Ended 31 December 2018**

The Directors present their annual report and audited financial statements for the year ended 31 December 2018.

The Company is a member of the Morgan Advanced Materials plc group (Morgan Group), which, from March 2016, managed its operations on a global business unit basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

DIVIDENDS

An Interim dividend totalling £9,800,000 (2017: £13,350,000) in respect of the year ended 31 December 2018 was paid during the year. The Directors do not recommend the payment of a final dividend (2017: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

P A Boulton
C R Collins

Other changes in directors holding office are as follows:

S H Mackle - appointed 28 June 2018


DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held the office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and will therefore continue in office.

ON BEHALF OF THE BOARD:


.....
C R Collins - Director

Date: 24/9/19

Terrassen Holdings Limited

**Statement of Directors' Responsibilities
for the Year Ended 31 December 2018**

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the *going concern basis of accounting* unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 Auditors' Report to the Members of
Terrassen Holdings Limited**

Opinion

We have audited the financial statements of Terrassen Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and loss account and other comprehensive income, the Balance sheet, the Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

The Impact of uncertainties due to the UK exiting the EU on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as investment impairment and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Independent Auditors' Report to the Members of
Terrassen Holdings Limited**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Use of our report

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.



Paul Sawdon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 25 September 2015

Terrassen Holdings Limited

**Statement of Comprehensive Income
for the Year Ended 31 December 2018**

	Notes	31.12.18 £'000	31.12.17 £'000
TURNOVER			
Other operating (expenses)/ Income		(22)	(77)
OPERATING LOSS		(22)	(77)
Income from shares in group undertakings		9,347	7,138
Interest receivable and similar income		-	69
		9,325	7,130
Interest payable and similar expenses	5	(2)	-
PROFIT BEFORE TAXATION	6	9,323	7,130
Tax on profit	7	12	(204)
PROFIT FOR THE FINANCIAL YEAR		9,335	6,926
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,335	6,926

The notes form part of these financial statements

Terrassen Holdings Limited (Registered number: 01352995)

Balance Sheet
31 December 2018

	Notes	31.12.18 £'000	31.12.17 £'000
FIXED ASSETS			
Investments	9	128,152	128,152
CURRENT ASSETS			
Debtors	10	-	1
Cash at bank		-	463
		-	464
CREDITORS			
Amounts falling due within one year	11	58	57
NET CURRENT (LIABILITIES)/ASSETS		(58)	407
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>128,094</u>	<u>128,559</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Capital contribution account	14	1,322	1,322
Capital redemption reserve	14	1,000	1,000
Retained earnings	14	124,772	125,237
SHAREHOLDERS' FUNDS		<u>128,094</u>	<u>128,559</u>

The financial statements were approved by the Board of Directors on 29/9/19 and were signed on its behalf by:


C R Collins - Director

The notes form part of these financial statements

Terrassen Holdings Limited

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Capital contribution account £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 January 2017	1,000	131,661	1,322	1,000	134,983
Changes in equity					
Dividends	-	(13,350)	-	-	(13,350)
Total comprehensive income	-	6,926	-	-	6,926
Balance at 31 December 2017	<u>1,000</u>	<u>125,237</u>	<u>1,322</u>	<u>1,000</u>	<u>128,559</u>
Changes in equity					
Dividends	-	(9,800)	-	-	(9,800)
Total comprehensive income	-	9,335	-	-	9,335
Balance at 31 December 2018	<u>1,000</u>	<u>124,772</u>	<u>1,322</u>	<u>1,000</u>	<u>128,094</u>

The notes form part of these financial statements

Terrassen Holdings Limited

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. STATUTORY INFORMATION

The company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Quadrant, 55-57 High Street, Windsor, Berkshire, SL4 1LP.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Taxation

Tax on the profit or loss for the year comprises of current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income'.

Consolidation

The company is a wholly owned subsidiary of Morgan Advanced Materials plc. It is included in the consolidated financial statements of Morgan Advanced Materials plc, which are publicly available. Therefore the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Quadrant, 55-57 High Street, Windsor, Berkshire, SL4 1LP.

Terrassen Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

2. ACCOUNTING POLICIES - continued

Investment in subsidiaries

Fixed asset investments are stated at cost less provision for Impairment. Impairment provisions are determined by comparing the carrying value of the investment with its recoverable amount. The recoverable amount is the value of expected discounted cash flows arising from owning the investment. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the rate of return expected on an equally risky investment. Impairment losses are recognised in the profit and loss account.

Going concern

Notwithstanding the company's net current liabilities of £58,000 as at 31 December 2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Morgan Advanced Materials plc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Morgan Advanced Materials plc providing additional financial support during that period. Morgan Advanced Materials plc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3. EMPLOYEES AND DIRECTORS

The Company has no employees (2017: none).

4. DIRECTORS' EMOLUMENTS

The directors performed no qualifying services for the company in respect of the current or preceding periods and therefore received no emoluments.

In the year ended 31 December 2018, an amount of £3,000 receivable by the auditor and its associates in respect of audit services has been paid by another group company (2017: £3,000).

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.18	31.12.17
	£'000	£'000
Bank interest paid	2	-
	<u>2</u>	<u>-</u>

6. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	31.12.18	31.12.17
	£'000	£'000
Dividends received from Group undertakings	(9,347)	(5,800)
Interest received from Group undertakings	-	(69)
Bank interest	2	-
General overheads	22	77
	<u>22</u>	<u>77</u>

Terrassen Holdings Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

7. TAXATION

Analysis of tax (income)/expense

	31.12.18 £'000	31.12.17 £'000
Current tax:		
Corporation tax charge	(12)	204
Total tax (income)/expense in statement of comprehensive income	<u>(12)</u>	<u>204</u>

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.18 £'000	31.12.17 £'000
Profit before income tax	<u>9,323</u>	<u>7,130</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	1,771	1,373
Effects of:		
Income not taxable for tax purposes	(1,781)	(1,374)
Adjustments in respect of prior periods	(2)	51
Withholding tax	-	154
Tax (income)/expense	<u>(12)</u>	<u>204</u>

8. DIVIDENDS

	31.12.18 £'000	31.12.17 £'000
A Ordinary shares of £1 each		
Interim	<u>9,800</u>	<u>13,350</u>

9. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2018	
and 31 December 2018	<u>205,021</u>
PROVISIONS	
At 1 January 2018	
and 31 December 2018	<u>76,869</u>
NET BOOK VALUE	
At 31 December 2018	<u>128,152</u>
At 31 December 2017	<u>128,152</u>

Terrassen Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

9. INVESTMENTS - continued

The investments have not been written down as the Directors consider their value to be £128,152,000 (2017: £128,152,000).

Management have measured the recoverable amount of fixed asset investments by use of the discounted cash flow model. Respectively, the assumption used for those investments subject to impairment were as follows:

- pre-tax discount rate of 10.1%
- growth rate of 1% and
- a cash flow projection through to 2022 (based on board approved budgets and strategic plans)

The companies in which the Company's interest at the year end is 20% or more (in ordinary shares unless otherwise stated) are as follows:

	Country of Incorporation	Registered Office Address	Principal activity	% of Shares held
Directly owned:				
Beijing Morgan Ceramics Co. Ltd (in liquidation)	China	6th Floor, building 17, No. A1Chaoqian Road, Changping District, Beijing 102200, China	Manufacturing	75%
Thermal Ceramics Italiana S.R.L.	Italy	Via Delle Rogge 6, Casalpusterlengo, 26841 LODI, Italy	Manufacturing	100%
Morgan Technical Ceramics S.A. de CV	Mexico	Av. Fulton No. 20, Fraccionamiento Industrial Valle de Oro, San Juan delRio, Queretaro C.P. 76802, Mexico	Manufacturing	99.98%
Morgan Holding Netherlands B.V.	Netherlands	Oude Veiling 3, 1689 AA Zwaag, The Netherlands	Holding Company	100%
Morgan Thermal Ceramics Sukhoi Log LLC	Russia Federation	Russia 624800, Sverdlovsk District, Sukhoi Log 624800, Ul. Militseyskaya 2	Manufacturing	51%
Indirectly owned:				
Carbo San Luis S.A.	Argentina	Talcahuano 736, 4th Floor, Buenos Aires, C1013AAP, Argentina	Manufacturing	84.6%
Morganite Brasil Ltda	Brazil	Avenida do Taboão 3265, Taboão, São Bernardo do Campo, São Paulo, CEP 09656-000, Brazil	Manufacturing	25.5%
Carbo Chile S.A.	Chile	Avenida San Eugenio 12462, Sitio 3, Loteo Estrella del Sur, Santiago, Chile	Manufacturing	84.6%
Morgan Guangzhou Co. Ltd	China	2nd Floor, 5 Ming Hua Street, Jin Xiu Road, Guanzhou, Guangdong Province, 510730, China	Manufacturing	100%
Thermal Ceramics de Colombia	Colombia	Calle 18 No. 23-31, Bodega 1, Guadalajara de Buga-Valle, AA 5086, Colombia	Manufacturing	92%
Marshall Morganite S.A. (in liquidation)	France	5 bis rue Retrou, 92600 Asnières-sur-Seine, France	Manufacturing	97.87%

Terrassen Holdings Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9.	INVESTMENTS - continued				
	Morgan Carbon France S.A.	France	6 rue du Réservoir, 68420 Eguisheim, France	Manufacturing	98.07%
	Thermal Ceramics de France S.A.S.U.	France	Centre de Vie BP 75, 3 rue du 18 Juin 1827, 42162 Andrézieux-Bouthéon, France	Manufacturing	98.07%
	Thermal Ceramics S.A.	France	Centre de Vie BP 75, 3 rue du 18 Juin 1827, 42162 Andrézieux-Bouthéon, France	Manufacturing	98%
	Morgan AM&T Hong Kong Company Ltd	Hong Kong	Units 4-6, 11/F, Siu Wai Industrial Centre, 29-33 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong	Manufacturing	100%
	Ciria India Ltd	India	P-11, Pandav Nagar, Mayur Vihar Phase 1, Delhi, 110091 India	Manufacturing	70%
	Morganite Crucible (India) Ltd	India	B-11, MIDC Industrial Area, Waluj, Aurangabad, 431136, Maharashtra, India	Manufacturing	36.5%
	Morgan Carbon Italia S.R.L.	Italy	Via Roma 338, Martinsicuro Terni, 64014 d Italy	Manufacturing	100%
	Morganite Carbon Kabushiki Kaisha	Japan	30-31 Enoki-Cho, Suita City, Osaka 564-0053, Japan	Manufacturing	100%
	Gunac B.V.	Netherlands	Oude Veiling 3, 1689 AA Zwaag, The Netherlands	Manufacturing	100%
	Morgan AM&T B.V.	Netherlands	Oude Veiling 3, 1689 AA Zwaag, The Netherlands	Manufacturing	100%
	Morgan Terrassen B.V.	Netherlands	Oude Veiling 3, 1689 AA Zwaag, The Netherlands	Manufacturing	100%
	Thermal Ceramics Benelux B.V.	Netherlands	Tramweg 27, 3255 MB Oude Tonge, The Netherlands	Manufacturing	100%
	Morgan Carbon Polska Sp.zoo	Poland	ul. Iskry 26, 01-472 Warszawa, Poland	Manufacturing	100%
	Morganite South Africa (Pty) Ltd	South Africa	149 South Rand Road, Tullisa Park, Johannesburg 2197, South Africa	Manufacturing	100%
	Morganite Ujantshi (Pty) Ltd	South Africa	149 South Rand Road, Tullisa Park, Johannesburg 2197, South Africa	Manufacturing	74.9%
	Thermal Ceramics South Africa (Pty) Ltd	South Africa	149 South Rand Road, Tullisa Park, Johannesburg 2197, South Africa	Manufacturing	100%
	Morganite Española S.A.	Spain	Juan Pablo II, no 6. 2e Local A, 12003 Castellon, Spain	Manufacturing	100%
	Morgan Matroc S.A. (in liquidation)	Spain	Roger de Lluria 104 5 ^a -2 ^a , 08037 Barcelona, Spain	Manufacturing	100%
	Thermal Ceramics España S.L.	Spain	Juan Pablo II, no. 6, 2, Local A, 12003 Castellon, Spain	Manufacturing	100%

Terrassen Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

9.	INVESTMENTS - continued			
	MKGS Morgan Karbon Grafit Sanayi Anonim Sirketi	Turkey	Osmangazi Mahallesi 2647, Sokak No. 27/3, K��ra��, Esenyurt, Istanbul 34522, Turkey	Manufacturing 100%
10.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
			31.12.18 �'000	31.12.17 �'000
	Amounts owed by Group undertakings		-	1
11.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
			31.12.18 �'000	31.12.17 �'000
	Bank loans and overdrafts (see note 12)		13	-
	Corporation tax payable		45	57
			58	57
12.	FINANCIAL LIABILITIES - BORROWINGS			
			31.12.18 �'000	31.12.17 �'000
	Current:			
	Bank overdrafts		13	-
	Terms and debt repayment schedule			
				1 year or less �'000
	Bank overdrafts			13
13.	CALLED UP SHARE CAPITAL			
	Allotted, issued and fully paid:			
	Number:	Class:	Nominal value:	
	1,000,000	A Ordinary	�1	
			31.12.18 �'000	31.12.17 �'000
			1,000	1,000
14.	RESERVES			
		Retained earnings �'000	Capital contribution account �'000	Capital redemption reserve �'000
	At 1 January 2018	125,237	1,322	1,000
	Profit for the year	9,335		
	Dividends	(9,800)		
	At 31 December 2018	124,772	1,322	1,000
				Totals �'000
				127,559
				9,335
				(9,800)
				127,094

Terrassen Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

15. ULTIMATE PARENT COMPANY

The Directors regard Morgan Advanced Materials plc, incorporated in England and Wales, as being the Company's ultimate parent undertaking. The smallest and largest group in which the results of the Company are consolidated is that headed by Morgan Advanced Materials plc. The Consolidated accounts of Morgan Advanced Materials plc are available to the public and may be obtained from its registered office situated at Quadrant, 55-57 High Street, Windsor, Berkshire, SL4 1LP.