

Registration number: 02099093

Vesuvius Group Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Vesuvius Group Limited

Company Information

Directors	HJ Knowles G Godin E Gingell
Company secretary	J Smith
Registration number	2099093
Registered office	165 Fleet Street London EC4A 2AE
Incorporated	a Private Limited Company incorporated in England & Wales
Auditors	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

Vesuvius Group Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

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 were as follows:

SC Upcott (resigned 21 May 2019)

HJ Knowles

IJ Lawson (resigned 31 October 2019)

The following directors were appointed after the year end:

G Godin (appointed 15 November 2019)

E Gingell (appointed 15 November 2019)

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.

Independent Auditors

The auditors, Mazars LLP have been appointed as auditors of the Company for the financial year ended 31 December 2018 and for future financial years until Mazars LLP resign or an audit is no longer required. For prior years the Company has been entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Disclosure of information to the auditors

The Directors have taken steps that they ought to have taken as a director in order to make themselves 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.

Approved by the Board on 19 December 2019 and signed on its behalf by:



G Godin
Director

Vesuvius Group Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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.

Vesuvius Group Limited

Independent Auditor's Report to the Members of Vesuvius Group Limited

Opinion

We have audited the financial statements of Vesuvius Group Limited (the 'Company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. 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', in accordance with the provisions applicable to companies subject to the small companies regime.

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 United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy. We considered the impact of Brexit on the company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for the company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Vesuvius Group Limited

Independent Auditor's Report to the Members of Vesuvius Group Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Vesuvius Group Limited

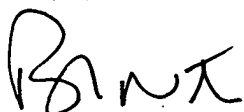
Independent Auditor's Report to the Members of Vesuvius Group Limited

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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.



Robert Neate (Senior Statutory Auditor)
For and on behalf of Mazars LLP, Statutory Auditor

Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

19 December 2019

Vesuvius Group Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Operating profit/(loss)		-	-
Other interest receivable and similar income	4	<u>821</u>	<u>1,595</u>
Profit before tax		821	1,595
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the year		<u><u>821</u></u>	<u><u>1,595</u></u>

The above results were derived from continuing operations.

The notes on pages 10 to 15 form an integral part of these financial statements.

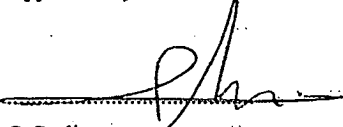
Vesuvius Group Limited

(Registration number: 02099093)
Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	6	7,503	7,503
Debtors	7	44,809	43,988
		<u>52,312</u>	<u>51,491</u>
Creditors: Amounts falling due within one year			
Income tax liability	5	(123)	(123)
Total assets less current liabilities		<u>52,189</u>	<u>51,368</u>
Creditors: Amounts falling due after more than one year			
Trade and other payables	9	(2,399)	(2,399)
Net assets		<u>49,790</u>	<u>48,969</u>
Capital and reserves			
Called up share capital	8	30,300	30,300
Profit and loss account		<u>19,490</u>	<u>18,669</u>
Shareholders' funds		<u>49,790</u>	<u>48,969</u>

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

Approved by the Board on 19 December 2019 and signed on its behalf by: and signed on its behalf by:



G Godin
Director

Vesuvius Group Limited

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

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	30,300	18,669	48,969
Profit for the year	-	821	821
Total comprehensive income	-	821	821
At 31 December 2018	<u>30,300</u>	<u>19,490</u>	<u>49,790</u>

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2017	30,300	17,074	47,374
Profit for the year	-	1,595	1,595
Total comprehensive income	-	1,595	1,595
At 31 December 2017	<u>30,300</u>	<u>18,669</u>	<u>48,969</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

Vesuvius Group Limited

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

1 General information

Vesuvius Group Ltd (the 'Company') is a holding company. The company is a private limited company and is incorporated and domiciled in the UK.

The address of its registered office is:

165 Fleet Street
London
EC4A 2AE

2 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.

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.

Impairment and valuation of investments

Investments in subsidiaries are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on the fair value prepared on the basis of management's assumptions and estimates.

Basis of preparation

The financial statements of Vesuvius Group Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

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 to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

The Company's parent undertaking, Vesuvius plc includes the Company in its consolidated financial statements. The consolidated financial statements of Vesuvius plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 165 Fleet Street, London, EC4A 2AE.

Vesuvius Group Limited

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

Summary of disclosure exemptions

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.

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 effective IFRSs; and
- Disclosures in respect of Key Management Personnel.

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:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

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

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.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2018 have had a material effect on the financial statements.

Foreign currency transactions and balances

The financial statements are presented in 'Pounds Sterling (£)', which is also the Company's functional currency.

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 Profit and Loss Account.

Tax

Tax expense represents the sum of current tax and deferred tax. Current and deferred tax are recognised in the Profit or Loss Account except to the extent that they relate to items charged or credited in the Statement of Comprehensive Income or Statement of Changes in Equity, in which case the associated tax is also recognised in those statements. In arriving at its current tax charge, the Company also makes careful assessment of the likely impact of tax law changes.

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.

Vesuvius Group Limited

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of

deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

The Directors regularly review the performance of the business and the external business environment to determine whether there is any indication that the carrying value of its investments have suffered an impairment loss. If such indication exists, the higher of the value in use and the fair value less costs to sell of the asset is estimated and compared with the value in order to determine the extent, if any, of the impairment loss. For the purpose of impairment testing, the recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use. An impairment loss recognised in a prior year for an asset may be reversed where there has been a change in estimates used to measure the asset's recoverable amount since the impairment loss was recognised.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Operating profit

The Company had no employees during the year (2017: nil). The Directors received remuneration of £nil (2017: £nil) in respect of services to the Company during the year.

4 Other interest receivable and similar income

	2018 £ 000	2017 £ 000
Dividend income	821	1,595

5 Income tax

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

Vesuvius Group Limited

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

	2018 £ 000	2017 £ 000
Profit before tax	<u>821</u>	<u>1,595</u>
Corporation tax at standard rate	156	307
Decrease (increase) from effect of revenues exempt from taxation	<u>(156)</u>	<u>(307)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

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

6 Investments

	£ 000
Subsidiaries	
Cost or valuation	
At 1 January 2018	<u>20,372</u>
At 31 December 2018	<u>20,372</u>
Provision	
At 1 January 2018	<u>12,869</u>
At 31 December 2018	<u>12,869</u>
Carrying amount	
At 31 December 2018	<u>7,503</u>
At 31 December 2017	<u>7,503</u>

The subsidiaries of Vesuvius Group Ltd and the countries in which they are incorporated are set out below. As with Vesuvius Group Ltd, all of the companies listed below have a 31 December year-end.

Details of the subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Country	Registered office
Vesuvius Japan Inc.	Japan	Daini-Naruse Akihabara Bldg. 3F, 27-10, 1-chome, Taito, Taito-ku, Tokyo, 110-0016, Japan
Vesuvius India Limited *	India	P-104 Taratala Road, Kolkata, 700 088, India

* Vesuvius Group Limited holds a 55.57% interest in the share capital of Vesuvius India Limited, a trading company incorporated in India.

Vesuvius Group Limited

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

7 Trade and other receivables

	31 December 2018 £ 000	31 December 2017 £ 000
Non-current trade and other receivables		
Receivables from related parties	<u>44,809</u>	<u>43,988</u>

8 Share capital

Allotted, called up and fully paid shares

	31 December 2018		31 December 2017	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>30,300</u>	<u>30,300</u>	<u>30,300</u>	<u>30,300</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.

9 Trade and other payables

	31 December 2018 £ 000	31 December 2017 £ 000
Non-current trade and other payables		
Amounts due to related parties	<u>2,399</u>	<u>2,399</u>

10 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.

11 Parent and ultimate parent undertaking

The company's immediate parent is Vesuvius Financial 1 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

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Vesuvius plc, incorporated in England & Wales.

Vesuvius Group Limited

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

The address of Vesuvius plc is:
165 Fleet Street
London
EC4A 2AE