

Registered number  
2919362

**Cookson Overseas Investments Limited**

**Report and Accounts**

**31 December 2005**



## Cookson Overseas Investments Limited

### Directors' Report

The Directors present their report and accounts for the year ended 31 December 2005.

#### Principal activities

The principal activity of the Company is the holding of investments in group undertakings.

#### Results and dividends

Profit for the financial year amounted to £5,836 (2004:£110). The Directors do not recommend the payment of a dividend (2004: £nil).

#### Directors

During the year, no Director had any beneficial interest in the shares of the Company. The Directors who served during the year and their interest in the ordinary shares of Cookson Group plc, the ultimate holding company, are stated below.

	Options to purchase 1p ordinary shares			Options to purchase 10p ordinary shares				
	At 1 January 2005	Granted	Lapsed	At 26 May 2005	Restated At 27 May 2005	Exercised	Lapsed	At 31 December 2005
BR Elliston	1,443,746	608,775	-	2,052,521	205,245	-	2,856	202,389
RMH Malthouse	1,615,953	709,459	-	2,325,412	232,537	3,780	2,730	226,027

	Interests in 1p ordinary shares		Interests in 10p ordinary shares Restated post consolidation	
	At 1 January 2005	At 26 May 2005	At 27 May 2005	At 31 December 2005
BR Elliston	63,810	166,912	16,690	10,310
RMH Malthouse	153,524	253,524	25,352	29,132

At the Cookson Group plc Annual General Meeting held on 26 May 2005, shareholders approved a share consolidation. The share consolidation took effect following the close of business on 26 May 2005, with shareholders receiving one new ordinary share of 10p each for every 10 existing ordinary shares of 1p each held at the close of business on 26 May 2005. Trading in the new ordinary shares of 10p commenced on 27 May 2005.

## **Cookson Overseas Investments Limited**

### **Directors' Report (continued)**

#### **Directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

#### **Auditors**

The Company has passed elective resolutions in accordance with section 379A of the Companies Act and is therefore exempt from the obligation to hold an Annual General Meeting and to reappoint the auditors annually.

This report was approved by the board on 12 June 2006

*Roche S. A.*

Miss RS Fell  
Company Secretary

## **Independent auditors' report to the members of Cookson Overseas Investments Limited**

We have audited the financial statements on pages 4 to 10.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
London  
Registered Auditor

*12 June* 2006

**Cookson Overseas Investments Limited**

**Profit and Loss Account**

**For the year ended 31 December 2005**

	Notes	<u>2005</u>	<u>2004</u>
		£	£
Income from investments	3	6,147	-
Interest payable and similar charges	4	(50)	-
Profit on ordinary activities before taxation		<u>6,097</u>	<u>-</u>
Tax on ordinary activities	5	(261)	110
Retained profit for the financial year	10	<u>5,836</u>	<u>110</u>

The Company has no recognised gains or losses other than those detailed above.

All activities relate to continuing operations.

# Cookson Overseas Investments Limited

## Balance Sheet

As at 31 December 2005

	Notes	2005		2004	
		£	£	£	£
<b>Fixed Assets</b>					
Investments	6		10,764		5,508
<b>Current assets</b>					
Debtors	7	5,021,756		5,027,000	
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,579,814)</u>		<u>(2,585,638)</u>	
<b>Net current assets</b>			<u>2,441,942</u>		<u>2,441,362</u>
<b>Net assets</b>			<u>2,452,706</u>		<u>2,446,870</u>
<b>Capital and Reserves</b>					
Called up share capital	9		3,225,002		3,225,002
Profit and loss account	10		<u>(772,296)</u>		<u>(778,132)</u>
<b>Equity shareholders' funds</b>	11		<u>2,452,706</u>		<u>2,446,870</u>



BR Elliston

Director

Approved by the board on 12 June 2006

## **Cookson Overseas Investments Limited**

### **Notes to the Accounts**

**For the year ended 31 December 2005**

#### **1 Accounting policies**

##### ***Accounting convention***

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

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements since the Company is itself a wholly-owned subsidiary of Cookson Group plc. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is exempt from the requirement of FRS 1 (Revised) to prepare a cash flow statement as its cash flows are included within the consolidated cash flow statement of Cookson Group plc.

During the year the Company adopted the following new financial reporting standards issued by the Account Standards Board:

*FRS 21 Events after the balance sheet date*

*FRS 25 Financial instruments: disclosure and presentation*

*FRS 28 Corresponding amounts*

##### ***Taxation***

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date which could give rise to an obligation in the future.

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

Investments in subsidiary undertakings are stated at costs, less any provisions for diminution in value that are expected to be permanent.

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

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

##### ***Related party transactions***

As the Company is a wholly-owned subsidiary of Cookson Group plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Cookson Group plc group.

#### **2 Profit on ordinary activities**

Other than the Directors the Company had no employees during the year. The Directors received no remuneration in respect of their services to the Company during the year. The auditor's remuneration is borne by the parent company.

# Cookson Overseas Investments Limited

## Notes to the Accounts (continued)

For the year ended 31 December 2005

### 3 Income from investments

	2005 £	2004 £
Dividends received from subsidiary undertakings	<u>6,147</u>	<u>-</u>

### 4 Interest payable and similar charges

	2005 £	2004 £
Foreign exchange loss	<u>50</u>	<u>-</u>

### 5 Taxation

	2005 £	2004 £
Analysis of charge in period		
UK corporation tax at 30% (2004: 30%)	-	-
Prior year tax charge / (credit)	-	(110)
Tax credit on ordinary activities	-	(110)
<i>Factors affecting the tax charge for the current period</i>		
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>6,097</u>	<u>-</u>
Current tax (credit) at 30% (2004: 30%)	1,829	-
<i>Effects of:</i>		
Difference in overseas tax rates	261	-
Double taxation relief	(1,259)	-
Losses surrendered from group company for no payment	(570)	-
Prior year tax (credit)/charge	-	(110)
Total current tax (see above)	<u>261</u>	<u>(110)</u>



## Cookson Overseas Investments Limited

### Notes to the Accounts (continued)

For the year ended 31 December 2005

#### 6 Investments in subsidiary and associate undertakings

	Investments in subsidiary and associated undertakings £
<b>Cost</b>	
At 1 January 2005	36,858
Additions	5,256
Disposals	-
At 31 December 2005	<u>42,114</u>
<b>Provisions</b>	
At 1 January 2005 and 31 December 2005	<u>(31,350)</u>
<b>Net book value</b>	
At 31 December 2005	<u>10,764</u>
At 31 December 2004	<u>5,508</u>

Fixed asset investments represent holdings in the ordinary share capital of the following Cookson Group plc subsidiary undertakings:

- Vesuvius TK Refrakter (4.56% holding).
- Vesuvius Solar Crucible, s.r.o. (0.03% holding).
- Cookson Electronics Assembly Materials NV (0.01% holding).
- Vesuvius Mid-East Limited (1% holding)
- Koutadly - Consultadoria Economica e Participacoes, S.A. (0.01% holding)

#### The following investment activity occurred during the year:-

The Company acquired a 0.85% investment in Vesuvius Mid-East Limited from Cookson Overseas Limited for £5,244.

The Company acquired a 0.01% investment in Koutadly – Consultadoria Economica e Participacoes, S.A. from Cookson Overseas Limited for £9 and also increased its investment by £3.

#### 7 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	<u>5,021,756</u>	<u>5,027,000</u>

## **Cookson Overseas Investments Limited**

### **Notes to the Accounts (continued)**

**For the year ended 31 December 2005**

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

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amounts owed to parent undertaking	<u>2,579,814</u>	<u>2,585,638</u>

#### **9 Share capital**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Authorised:		
500,000,000 Ordinary shares of £1 each	<u>500,000,000</u>	<u>500,000,000</u>
Allotted, called up and fully paid:		
3,225,002 ordinary shares of £1 each	<u>3,225,002</u>	<u>3,225,002</u>

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

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
At 1 January	(778,132)	(778,242)
Profit for the financial year	<u>5,836</u>	<u>110</u>
At 31 December	<u>(772,296)</u>	<u>(778,132)</u>

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

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
At 1 January	2,446,870	2,446,760
Profit for the financial year	<u>5,836</u>	<u>110</u>
At 31 December	<u>2,452,706</u>	<u>2,446,870</u>

## **Cookson Overseas Investments Limited**

### **Notes to the Accounts (continued)**

**For the year ended 31 December 2005**

#### **12 Ultimate holding company**

The Company's ultimate holding company is Cookson Group plc, which is registered in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Cookson Group plc. The accounts of Cookson Group plc are available to the public and may be obtained from 165 Fleet Street, London, EC4A 2AE.

No other group accounts include the results of the Company.