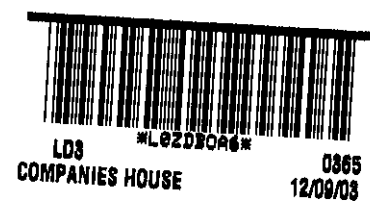


Registered number
2919362

Cookson Overseas Investments Limited

Report and Accounts

31 December 2002



Cookson Overseas Investments Limited

Directors' Report

The Directors present their report and accounts for the year ended 31 December 2002.

Principal activities

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

Results and dividends

The loss for the year was £8,904 (2001: £939,800) which has been transferred from reserves, this loss arose following the liquidation of a fixed asset investment (details can be seen in note 5). The Directors do not recommend the payment of a dividend (2001: £nil).

During the year the Company adopted FRS 19 'Deferred Tax', further details are provided in note 4. There was no impact on the current or prior year financial statements from the introduction of FRS 19.

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. The shareholdings at 31 December 2002 relate to ordinary shares of 1p each, whilst those at 1 January 2002 relate to ordinary shares of 50p each.

	At 1 January 2002	Adjusted for 2002 Rights Issue ⁽¹⁾	Options to purchase 1p ordinary shares			At 31 December 2002	Interests in ordinary shares	
			Granted	Exercised	Lapsed		1p 2002	50p 2001
BR Elliston	642,289	15,408	601,648	-	(30,262)	1,229,083	100,610	49,734
RMH Malthouse	669,591	16,064	634,551	-	(17,371)	1,302,835	153,524	40,488

(1) Under the rules of the Cookson Group plc share option schemes and following Inland Revenue approval, adjustments were made to the option price and to the number of ordinary shares under option for all options outstanding as at the date of the Cookson Group plc rights issue in August 2002.

Directors' responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

Cookson Overseas Investments Limited

Directors' Report

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 25 June 2003

Rachel S. Fell

Miss RS Fell
Company Secretary

Cookson Overseas Investments Limited

Auditors' Report

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 1, the accounts 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. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, 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 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 accounts. It also includes an assessment of the significant estimate and judgements made by the Directors in the preparation of the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor

London
EC4Y 8BB

26 June 2003

Cookson Overseas Investments Limited

Profit and Loss Account

For the year ended 31 December 2002

	Notes	2002	2001
		£	£
Operating loss	2	-	-
Amounts written off investments		(8,779)	(962,840)
Interest payable and similar charges	3	(125)	(1,595)
Loss on ordinary activities before taxation		<u>(8,904)</u>	<u>(964,435)</u>
Tax on loss on ordinary activities	4	-	24,635
Retained loss for the financial year	9	<u>(8,904)</u>	<u>(939,800)</u>

Statement of total recognised gains and losses

The Company has no recognised gains or losses other than the above losses for the two financial years.

Cookson Overseas Investments Limited

Balance Sheet As at 31 December 2002

	Notes	2002	2001
		£	£
Fixed Assets			
Investments	5	36,858	40,128
Current assets			
Debtors	6	5,027,000	5,027,000
Creditors: amounts falling due within one year	7	(2,585,748)	(2,580,114)
Net current assets		2,441,252	2,446,886
Total assets less current liabilities		2,478,110	2,487,014
Equity Capital and Reserves			
Called up share capital	8	3,225,002	3,225,002
Profit and loss account	9	(746,892)	(737,988)
	10	2,478,110	2,487,014



Director

Approved by the board on 25 June 2003

Cookson Overseas Investments Limited

Notes to the Accounts

For the year ended 31 December 2002

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.

The Company had adopted FRS 19, Deferred Tax, in the year which requires full provision to be made for deferred tax assets and liabilities. The impact of adopting FRS 19 on the current and prior year is disclosed in note 4.

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 Operating loss

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 remuneration is borne by the parent company.

3 Interest payable and similar charges

	2002 £	2001 £
Foreign exchange loss	<u>125</u>	<u>1,595</u>

Cookson Overseas Investments Limited

Notes to the Accounts

For the year ended 31 December 2002

4 Taxation

	2002 £	2001 £
Analysis of charge in period		
UK corporation tax at 30% (2001: 30%)	-	-
Prior year tax charge / (credit)	-	(24,635)
Tax on losses from ordinary activities	-	(24,635)
<i>Factors affecting the tax charge for the current period</i>		
	2002 £	2001 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(8,904)	(964,435)
Current tax (credit) at 30% (2001: 30%)	(2,671)	(289,330)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2,634	288,852
Net addition to tax losses carried forward or surrender by way of group relief	37	478
Prior year tax charge / (credit)	-	(24,635)
Total current tax (see above)	-	(24,635)

There was no impact on the current or prior year financial statements from the introduction of FRS 19.

Cookson Overseas Investments Limited

Notes to the Accounts

For the year ended 31 December 2002

5 Investments

	Investments in subsidiary and associates undertakings £
Cost	
At 1 January 2002	40,128
Additions	5,509
Disposals	(8,779)
At 31 December 2002	<u>36,858</u>

Fixed asset investments represent holdings in the ordinary share capital of the following group subsidiary undertakings:

- DFK Turkey (4.56% holding).
- Vesuvius Solar Crucible, s.r.o. (0.03% holding).
- Rotec BVBA (0.01% holding).

During the year the Company invested in Vesuvius Solar Crucible (£421) and Rotec (£5,088)

Vesuvius Haznedar, a company in which Cookson Overseas Investments Limited had a 4.56% holding (£8,779) was liquidated in March 2002.

6 Debtors

	2002 £	2001 £
Amounts owed by group undertakings	<u>5,027,000</u>	<u>5,027,000</u>

7 Creditors: amounts falling due within one year

	2002 £	2001 £
Amounts owed to parent undertaking	<u>2,585,748</u>	<u>2,580,114</u>

Cookson Overseas Investments Limited

Notes to the Accounts

For the year ended 31 December 2002

8 Share capital

	2002 £	2001 £
Authorised:		
Ordinary shares of £1 each	<u>500,000,000</u>	<u>500,000,000</u>

	2002 £	2001 £
Allotted, called up and fully paid:		
3,225,002 ordinary shares of £1 each	<u>3,225,002</u>	<u>3,225,002</u>

9 Profit and loss account

	2002 £	2001 £
At 1 January	(737,988)	201,812
Retained loss	<u>(8,904)</u>	<u>(939,800)</u>
At 31 December	<u>(746,892)</u>	<u>(737,988)</u>

10 Reconciliation of movement in shareholders' funds

	2002 £	2001 £
At 1 January	2,487,014	3,426,814
Loss for the financial year	<u>(8,904)</u>	<u>(939,800)</u>
At 31 December	<u>2,478,110</u>	<u>2,487,014</u>

Cookson Overseas Investments Limited

Notes to the Accounts

For the year ended 31 December 2002

11 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 The Adelphi, 1-11 John Adam Street, London, WC2N 6HJ.

No other group accounts include the results of the Company.