

Harsco Investment Limited
Annual report
for the year ended 31 December 2004

Company number: 03985379



Harsco Investment Limited

Directors' report and financial statements for the year ended 31 December 2004

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Harsco Investment Limited

Directors and advisors

Directors:	D C Hathaway G D H Butler S D Fazzolari M H Cubitt
Registered office:	Harsco House Regent Park 299 Kingston Road Leatherhead Surrey KT22 7SG
Company Secretary	J Mortimer
Registered number:	03985379
Auditors	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Solicitors	DLA Princes Exchange Princes Square Leeds LS1 4BY
Principal Bankers	National Westminster Bank Plc St James's and Piccadilly PO Box 2DG 208 Piccadilly London W1A 2DG

Harsco Investment Limited

Directors' report for the year ended 31 December 2004

The directors present their report together with the audited financial statements of the group and the company for the year ended 31 December 2004.

Principal activities

The company is the parent undertaking of a group of companies whose principal activities are primarily the supply and hire of a wide range of access related products and services and the provision of specialist services to the steel sector throughout the world.

Review of the business and future developments

The directors consider the business development of the Group during the year and its financial position at the end of the year to be satisfactory and expect that the present level of activity will be sustained in the foreseeable future.

The Group has continued to make good progress towards its objective of creating a geographically balanced spread of industrial service businesses.

Results and dividends

There was a profit for the year after taxation and minority interests of £19,723,000 (2003: £13,022,000), which has been transferred to reserves. The directors do not recommend the payment of a dividend (2003: £nil).

Directors

The directors who served during the year were:

D C Hathaway

G D H Butler

S D Fazzolari

M H Cubitt

None of the directors had any beneficial interest in the shares of Harsco Investment Limited or any member of the group at the beginning or end of the year.

D C Hathaway, G D H Butler and S D Fazzolari, are also directors of the company's ultimate parent undertaking, Harsco Corporation.

Neither during nor at the end of the year did any of the directors have a material interest in any contract which was of significance to the business of the company or its subsidiary undertakings.

Tangible fixed assets

In the opinion of the directors, there was no significant difference between market values and book values of land and buildings at 31 December 2004.

Harsco Investment Limited

Directors' report for the year ended 31 December 2004 (continued)

Donations

The company made no political contributions during the year (2003: £nil). Donations to charities were made during the year totalling £102,285 (2003: £29,000). The principal beneficiaries were the Imperial War Museum, organisations concerned with the arts, children, people willing to acquire knowledge and experience abroad, sport and medical research.

Employees

The company's policy is, where practicable, to encourage the employment of the disabled and the continued employment and training of persons who become disabled whilst in the company's employment, bearing in mind the requirements of the job, and to ensure that the training, career development and promotion of disabled persons is identical to that of other employees.

The company implements a policy of keeping its employees informed on a regular basis of matters concerning them as employees and on financial and economic factors affecting the performance of the company. Employees' representatives are consulted on a wide range of matters affecting their current and future interests.

Research and development

Research and development on new products is primarily carried out at MultiServ sites worldwide, but locally in UK some product development costs are incurred on new innovations for use throughout the business in both SGB and MultiServ divisions.

Post Balance Sheet Events

On 30 September 2005 SGB Services Limited disposed off the Youngman business at Maldon for £11,784,404 against a net asset value of £7,534,404.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgments and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

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 the financial statements 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.

Harsco Investment Limited

Directors' report for the year ended 31 December 2004 (continued)

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

By order of the board



M H Cubitt
Director
25 October 2005

Independent auditors' report to the members of Harsco Investment Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 affairs of the company and the group at 31 December 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
25 October 2005

Harsco Investment Limited

Consolidated profit and loss account for the year ended 31 December 2004

		2004	2003
	Notes	£'000	£'000
Turnover	2	643,954	606,762
Less: share of joint venture turnover		(1,066)	(888)
Group turnover		642,888	605,874
Cost of sales		(478,481)	(457,796)
Gross profit		164,407	148,078
Selling and distribution costs		(34,086)	(35,123)
Administrative expenses		(85,918)	(85,142)
Other operating income		3,278	5,833
Group operating profit		47,681	33,646
Share of operating (loss)/profit of joint venture		(16)	104
Operating profit including joint ventures		47,665	33,750
Profit on sale of subsidiary / joint venture		-	1,828
Interest payable and similar charges	4	(17,442)	(17,629)
Interest receivable and similar income	4	3,586	4,103
Profit on ordinary activities before taxation	5	33,809	22,052
Tax on profit on ordinary activities	6	(12,127)	(6,575)
Profit on ordinary activities after taxation		21,682	15,477
Equity minority interests		(1,959)	(2,455)
Retained profit for the financial year	18	19,723	13,022

The results above have been derived wholly from continuing activities.

Statement of group total recognised gains and losses for the year ended 31 December 2004

	2004	2003
	£'000	£'000
Retained profit for the financial year	19,723	13,022
(Loss)/gain arising on retranslation of net assets in subsidiary undertakings	(8,628)	6,854
Total recognised gains for the financial year	11,095	19,876

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 9 to 33 form part of these financial statements.

Harsco Investment Limited

Consolidated balance sheet as at 31 December 2004

	Notes	£'000	2004 £'000	2003 £'000
Fixed assets				
Intangible assets	8		142,004	147,892
Tangible assets	9		270,298	256,483
Investments:				
Investment in joint ventures	10			
Share of gross assets		1,321		1,269
Share of gross liabilities		(1,039)		(934)
			282	335
			412,584	404,710
Current assets				
Stock	11	27,212		27,136
Debtors : due within one year	12	253,969		240,618
: due after more than one year	12	25,940		26,586
Cash at bank and in hand		41,585		35,089
		348,706		329,429
Creditors: amounts falling due within one year	13	(192,659)		(176,372)
Net current assets			156,047	153,057
Total assets less current liabilities			568,631	557,767
Creditors: amounts falling due after more than one year	14		(204,726)	(204,853)
Provisions for liabilities and charges	16		(38,103)	(38,130)
Equity minority interests			(10,232)	(10,309)
Net assets			315,570	304,475
Capital and reserves				
Called up share capital	17		275,001	275,001
Profit and loss account	18		40,569	29,474
Total shareholders' funds – equity interests only	19		315,570	304,475

The financial statements on pages 6 to 33 were approved by the board of directors on 25 October 2005 and were signed on its behalf by:

M A Lenth

M H Cubitt
Director

Harsco Investment Limited

Company balance sheet as at 31 December 2004

	Notes	2004 £'000	2003 £'000
Fixed assets			
Investments	10	465,067	443,906
Current assets			
Debtors : due within one year	12	42,883	23,803
: due after more than one year	12	22,024	22,506
Cash at bank and in hand		3	-
		64,910	46,309
Creditors: amounts falling due within one year	13	(81,975)	(40,963)
Net current (liabilities)/assets		(17,065)	5,346
Total assets less current liabilities		448,002	449,252
Creditors: amounts falling due after more than one year	14	(165,256)	(165,256)
Net assets		282,746	283,996
Capital and reserves			
Called up share capital	17	275,001	275,001
Profit and loss account	18	7,745	8,995
Total shareholders' funds – equity interests only	19	282,746	283,996

The financial statements on pages 6 to 33 were approved by the board of directors on 25 October 2005 and were signed on its behalf by:

M. J. *M. J. Cubitt*

M H Cubitt
Director

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and applicable accounting standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

In accordance with FRS 18 "Accounting Policies" the directors have reviewed these accounting policies and deem them to be the most appropriate for the Company.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the Company and its subsidiary undertakings listed in note 10 made up to 31 December 2004. The results of the subsidiary undertakings acquired are included in the consolidated profit and loss account from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. In accordance with the exemptions given by Section 230 of the Companies Act 1985, the holding company has not presented its own profit and loss account.

Investments

Investments in subsidiary undertakings are stated at cost, including directly attributable costs of acquisition, less provision for impairment.

Goodwill

Goodwill, representing the excess of the fair value of the consideration for subsidiaries and other businesses over the fair values of the net assets acquired, is capitalised and written off in equal annual instalments over its expected useful economic life of twenty years.

Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at their cost less accumulated depreciation. Cost includes finance costs incurred which are directly attributable to construction of tangible fixed assets.

Depreciation of tangible fixed assets is provided from the date of acquisition so as to write off assets on a straight-line basis over the term of their useful lives. No depreciation is provided on assets in the course of construction and freehold land. The bases and annual depreciation rates in use for the various classes of assets are as follows:

Freehold premises	50 years
Leasehold premises	Lower of 50 years and life of lease
Plant, equipment, fixtures and vehicles	2 – 20 years

Intangible fixed assets – patent costs

Patent costs are capitalised at cost and are written off over the expected life of the products to which they relate.

Turnover

Turnover comprises the value of goods and services provided during the year, excluding value added tax and sales between group companies.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

1 Accounting policies (continued)

Pension costs

The Group operates contributory defined benefit pension schemes covering some of its permanent employees. The scheme funds are administered by trustees and are independent of the company's finances. Contributions are charged to the profit and loss account so as to spread the regular cost over the average service lives of employees in accordance with the advice of independent qualified actuaries. Actuarial surpluses and deficits are spread forward over the average remaining service lives of employees.

The Group also operates a contributory defined contribution scheme in respect of some full time permanent employees over the age of 21. Contributions are charged to the profit and loss account as paid.

The group has provided the transitional disclosures required by FRS17 'Retirement Benefits.'

Joint Ventures

An entity is treated as a joint venture if the group jointly controls that entity together with one or more other venturers under a contractual arrangement. The group's share of turnover and operating profit of joint ventures is included in the notes to the profit and loss account and the group's share of gross assets and liabilities has been reported within the notes to the balance sheet. Intra group sales and profit are eliminated fully on consolidation. The group balance sheet includes the investment in joint venture undertakings at the group's share of net assets.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Provision is made for deferred tax in so far as a liability or asset arose as a result of transactions that had occurred by the balance sheet date and gave rise to an obligation to pay more tax in the future or a right to pay less tax in the future. An asset has not been recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Hire purchase contracts, finance leases and operating leases

Assets acquired under hire purchase contracts and finance lease agreements are capitalised at cost and depreciated over the shorter of the term of the lease and the useful life using the depreciation rates set out above. The liabilities to the leasing companies are shown as obligations under finance leases within creditors. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

Rental costs of operating leases are charged to the profit and loss account in the period to which they relate.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises all direct costs incurred during the production process, including an appropriate allocation of attributable overheads.

Foreign currencies

The trading results of overseas subsidiary undertakings are translated into sterling using average rates of exchange ruling during the relevant financial year. The balance sheets of overseas subsidiary undertakings are translated into sterling at the rates of exchange ruling at the year end. Exchange differences arising between the translation into sterling of the net assets of these subsidiary undertakings at rates ruling at the beginning and end of the year are taken to reserves. The cost of the Company's investments in overseas subsidiary undertakings is translated into sterling at the date ruling at the date of investment.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

1 Accounting policies (continued)

Foreign currencies (continued)

All other foreign currency assets and liabilities are translated into sterling at the rate ruling at the year end except in those instances where forward cover has been arranged, in which case this forward rate is used. Foreign currency transactions during the year are translated into sterling at the rate of exchange ruling on the date of the transaction. Any exchange differences are dealt with through the profit and loss account.

Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

2 Analysis of turnover, profit before taxation and net assets

An analysis of the Group's turnover, profit before taxation and net assets by geographical area is set out below:

	2004			2003		
	Turnover	Profit/(loss) before taxation	Net assets / (liabilities)	Turnover	Profit/(loss) before taxation	Net assets / (liabilities)
	£'000	£'000	£'000	£'000	£'000	£'000
United Kingdom						
– Group	275,524	3,031	(7,853)	272,986	(11,436)	(5,990)
– Joint venture	-	-	319	-	35	319
Rest of Europe						
– Group	248,253	10,958	202,013	236,839	14,760	197,095
– Joint venture	1,066	146	(37)	888	52	16
North America	1,409	1,497	38,967	1,716	2,348	37,681
Far East	7,720	912	678	7,059	(149)	47
Middle East	27,919	670	625	13,058	(17)	318
South America	41,424	8,353	58,356	37,316	6,599	54,510
Africa	16,646	1,777	9,370	17,671	3,996	9,924
Australia	23,993	6,465	13,132	19,229	5,864	10,555
Total	643,954	33,809	315,570	606,762	22,052	304,475
Group	642,888	33,663	315,288	605,874	21,965	304,140
Joint venture	1,066	146	282	888	87	335
Total	643,954	33,809	315,570	606,762	22,052	304,475

(i) The operations of the Group in the year comprise one segmental class of business being the supply of industrial services including supply and hire of a wide range of access related products and services and the provision of specialist services to the steel sector.

(ii) Turnover by geographical destination is not materially different from turnover by geographical origin.

(iii) The results above all relate to continuing operations.

(iv) Within the group net assets /(liabilities) of the UK, is included £165,000,000 (2003: £165,000,000) of debt. Interest charged of £13,975,716 (2003: £13,947,000) on this debt has been deducted in arriving at the UK profit before taxation.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

3 Staff costs and employees (including directors)

Staff costs

	2004 £'000	2003 £'000
Analysis of staff costs:		
Wages and salaries	184,245	178,104
Social security costs	33,342	31,177
Other pension costs	18,858	19,775
	236,445	229,056

Numbers of employees

The average monthly number of employees (including directors) during the year was made up as follows:

	2004	2003
Direct labour and operatives	8,575	8,384
Managerial, administrative and selling	2,639	2,478
	11,214	10,862

Directors' emoluments

	2004 £'000	2003 £'000
Aggregate emoluments and benefits	726	595

As at 31 December 2004, all the directors held share options in the ultimate holding company Harsco Corporation. Two directors (2003: two) exercised share options during the year.

Retirement benefits are accruing to two directors (2003: two) under a defined benefit scheme.

	2004 £'000	2003 £'000
Highest paid director		
Aggregate emoluments and benefits	502	398
Defined benefit pension schemes:		
Accrued annual pension at end of year	281	286

The highest paid director did not exercise share options during the year.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

4 Interest payable / receivable and similar charges / income

	2004 £'000	2003 £'000
Interest payable and similar charges on:		
Hire purchase advances	(3)	(10)
Bank loans and overdraft	(2,600)	(1,846)
Finance lease and hire purchase contracts	(50)	(110)
Loans from group undertakings	(14,799)	(15,514)
Other loans	(110)	(193)
	(17,562)	(17,673)
Interest capitalised	137	61
Group interest payable and similar charges	(17,425)	(17,612)
Share of joint ventures interest payable	(17)	(17)
Total interest payable and similar charges	(17,442)	(17,629)
Interest receivable and similar income		
Other interest receivable	3,586	4,103
Total interest receivable and similar income	3,586	4,103

Interest on funding attributable to assets in the course of construction was capitalised at an average rate of 2.23% (2003: 2.39 %).

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

5 Profit on ordinary activities before taxation

	2004 £'000	2003 £'000
The profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets		
- Owned assets	64,861	48,463
- Assets held under hire purchase	281	436
Amortisation of intangible fixed assets	9,037	8,830
Auditors' remuneration : Audit services (Company:£96,000 - 2003: £57,000)	1,556	1,103
: Non audit services (Company:£58,000 - 2003: £34,000)	333	223
Profit on disposal of fixed assets	(251)	(508)
Foreign exchange losses/(gains)	113	(567)
Operating lease rentals:		
- Plant and machinery	16,672	17,495
- Other	9,081	7,078
Research and development	1,284	1,626

6 Tax on profit on ordinary activities

	2004 £'000	2003 £'000
The taxation charge for the year comprises:		
Current tax		
United Kingdom Corporation tax at 30% : Current year	(2,363)	(2,399)
Prior year	1,314	3,628
Foreign tax	(9,626)	(12,951)
Share of taxation of joint ventures	(20)	(30)
Total current tax charge	(10,695)	(11,752)
Deferred tax		
Current year	(2,521)	2,209
Prior year	1,089	2,968
Total deferred tax (charge)/credit	(1,432)	5,177
Total tax charge	(12,127)	(6,575)

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

6 Tax on profit on ordinary activities (continued)

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	33,809	22,052
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	10,142	6,616
Impact of overseas tax rates	1,391	98
Adjustment for prior year items	(3,048)	(3,628)
Origination and reversal of timing differences	(1,432)	2,209
Profit on sale of investments not taxable	-	(634)
Utilisation of losses carried forward	(504)	(378)
Losses with no tax benefit	2,201	4,293
Expenses not deductible for tax purposes (including goodwill amortisation)	1,945	3,176
	10,695	11,752

The group expects to claim capital allowances in excess of depreciation at the same level in the future. Companies within the group have tax losses brought forward which are expected to be utilised in the future.

7 Profit of holding company

Of the profit for the financial year, a loss of £13,918,000 (2003: £9,242,000) (before income from shares in group undertakings of £12,668,000 (2003: £20,861,000)) is dealt with in the accounts of Harsco Investment Limited. The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 and not presented a profit and loss account for the company alone.

8 Intangible fixed assets

Group	Goodwill £'000	Patents £'000	Total £'000
Cost			
At 1 January 2004	176,017	482	176,499
Acquisitions	3,149	-	3,149
At 31 December 2004	179,166	482	179,648
Amortisation			
At 1 January 2004	28,453	154	28,607
Charge for the year	8,959	78	9,037
At 31 December 2004	37,412	232	37,644
Net book value			
At 31 December 2004	141,754	250	142,004
At 31 December 2003	147,564	328	147,892

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

9 Tangible fixed assets

Group	Land and buildings £'000	Plant, equipment, fixtures & vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost				
At 1 January 2004	28,805	346,054	7,435	382,294
Exchange adjustments	18	(7,031)	(310)	(7,323)
Additions	1,398	68,038	17,471	86,907
Transfers	157	8,598	(8,755)	-
Disposals	(1,562)	(14,438)	-	(16,000)
At 31 December 2004	28,816	401,221	15,841	445,878
Accumulated depreciation				
At 1 January 2004	6,419	119,392	-	125,811
Exchange adjustments	14	(3,847)	-	(3,833)
Charge for the year	2,128	63,014	-	65,142
Transfers	-	-	-	-
Disposals	(758)	(10,782)	-	(11,540)
At 31 December 2004	7,803	167,777	-	175,580
Net book value				
At 31 December 2004	21,013	233,444	15,841	270,298
At 31 December 2003	22,386	226,662	7,435	256,483

The net book value of fixed assets includes £645,000 (2003: £1,272,000) in respect of assets held under hire purchase and finance lease agreements. Depreciation of £281,000 (2003: £436,000) was charged on these assets during the year.

The net book value of land and buildings comprises £17,983,000 (2003: £17,569,000) freehold, £1,512,000 (2003: £2,905,000) long leasehold and £1,518,000 (2003: £1,912,000) short leasehold.

The cost of tangible fixed assets at 31 December 2004 includes £198,000 (2003: £61,000) relating to interest capitalised.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

10 Investments

Group	Joint venture £'000
Cost or valuation	
At 1 January 2004	335
Share of loss	(53)
At 31 December 2004	282

In accordance with FRS2 'Accounting for Subsidiary Undertakings', the 49% holdings in associated undertakings Quebeisi SGB LLC and SGB Al Darwish United WLL have been accounted for as a subsidiary from the date the company assumed dominant influence.

The investments principally comprise 50% holdings in the following:

Company	Country of Incorporation	Principal activity	Class of Shares
Joint venture			
Salamis / SGB Limited	Scotland	Provision of access related services	Ordinary
Granufos SAS	France	Metal recovery and sale of slag aggregate	Ordinary

Company	Subsidiary undertakings £'000
Cost and net book value	
At 1 January 2004	443,906
Acquisitions (Note 3)	24,590
Impairment provision (Note 4)	(3,429)
At 31 December 2004	465,067

The following entities were acquired by the company during the year:

Entities	Cost £'000
Slag Reductie (Pacific) BV	7,162
CTS - Companhia de Tratamento de Sucatas Limitada	764
Slag Reductie Nederland BV	3,071
MultiServ Reclamet SA	23
Faber Prest (Pacific) Limited	2,798
Faber Prest (Overseas) Limited	10,772
	24,590

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

10 Investments (continued)

The principal subsidiary undertakings included within the group accounts at 31 December 2004 are listed below:

Company	Country of incorporation	Proportion of share capital
Harsco Europa BV	Netherlands	100%
Multiserv International BV	Netherlands	100%
Multiserv Investment Limited	England and Wales	100%
SGB Group Limited	England and Wales	100%
Heckett International Services Limited	England and Wales	100%
*Harsco (UK) Limited	England and Wales	100%
*Harsco Track Technologies Limited	England and Wales	100%
* Multiserv (Holland) BV	Netherlands	100%
*Multiserv Reclamet SA	Spain	97.5%
*Heckett Limited	England and Wales	100%
*Faber Prest Limited	England and Wales	100%
*MultiServ Group Limited	England and Wales	100%
*MultiServ (ASR) Limited	England and Wales	100%
*Slag Reduction Overseas Limited	England and Wales	100%
*MultiServ (Sheffield) Limited	England and Wales	100%
*Faber Prest (Overseas) Limited	England and Wales	100%
*Slag Reductie Nederland BV	Netherlands	100%
*CTS – Companhia de Tratamento de Sucatas Limitada	Portugal	100%
*MultiServ South Africa (Pty) Limited	South Africa	100%
*Multiserv Cz s.r.o.	Czech Republic	100%
*Czech Slag Nova Hut Sro	Czech Republic	65%
*SGB Polska SP Zoo	Poland	100%
*SRH Mill Services (Pty) Limited	South Africa	100%
*MultiServ Logistics Limited	England and Wales	100%
*Otis Transport Services Limited	England and Wales	100%
*Faber Prest (Pacific) Limited	England and Wales	100%
*Slag Reductie (Pacific) BV	Netherlands	100%
*SteelServ Limited	New Zealand	50%
*MultiServ NSW Pty Limited	Australia	55%
*MultiServ Australasia Pty Limited	Australia	70%
*MultiServ Victoria Pty Limited	Australia	70%
*MultiServ Holdings Pty Limited	Australia	100%
*MultiServ South East Asia Pty Limited	Australia	100%

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

10 Investments (continued)

Company	Country of incorporation	Proportion of share capital
*MultiServ SA	Belgium	100%
*MultiServ Services Spécialisés SA	Belgium	100%
*La Louviere Logistique SA	Belgium	100%
*MultiServ Slovensko Sro	Slovak Republic	100%
*MultiServ Spol Sro	Czech Republic	100%
*Sobremetal Recuperacao de Metais Ltda	Brazil	100%
*MultiServ Limitada	Brazil	100%
*MultiServ SA	Chile	100%
*Heckett MultiServ MV + MS CA	Venezuela	100%
*Heckett MultiServ Sociedad Anonima Industrial y Comercial	Argentina	100%
*ILSERV Srl	Italy	65%
*Luxequip Holding SA	Luxembourg	100%
*MultiServ SA	Luxembourg	100%
*MultiServ France SA	France	100%
*MultiServ Sud SA	France	100%
*Floyequip SA	France	100%
*PyroServ sarl	France	100%
*MultiServ SAS	France	100%
*MultiServ Industries SAS	France	100%
*Granufos SAS	France	50%
*MultiServ Logistique et Services Specialises SAS	France	100%
*MultiServ Finance BV	Netherlands	100%
*MultiServ China BV	Netherlands	100%
*MultiServ Zhejiang Iron & Steel Service Corp Limited	China	80%
*MultiServ Tangshan Iron & Steel Service Corp Limited	China	100%
*MultiServ Lycrete SA	Spain	100%
*MultiServ Intermetal SA	Spain	100%
*Serviequipo SA	Spain	100%
*MultiServ Iberica SA	Spain	100%
*MultiServ Nordiska AB	Sweden	100%
*MultiServ Norway AS	Norway	100%

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

10 Investments (continued)

Company	Country of incorporation	Proportion of share capital
*Verwerkingsbedryf Voor Byproducten in de Staalnyverhei (VBS)	Belgium	100%
*Quipco Limited	England and Wales	100%
*MultiServ Plc	England and Wales	100%
*MultiServ (UK) Limited	England and Wales	100%
*MultiServ Inc.	USA	100%
*MultiServ US Corporation	USA	100%
*MultiServ Operations Limited	USA	100%
*MultiServ General Corporation	USA	100%
*MultiServ Intermetal Inc	USA	100%
*SGB Holdings Limited	England and Wales	100%
*SGB Services Limited	England and Wales	100%
*SGB Investments Limited	England and Wales	100%
*Mastclimbers Limited	England and Wales	100%
*SGB Eventlink Limited	England and Wales	100%
*SGB North Europe BV	Netherlands	100%
*Quebeisi SGB LLC	U.A.E.	49%
*SGB Asia Pacific (S) Pte Limited	Singapore	100%
*SGB (Channel Islands) Limited	Jersey	100%
*SGB S.A.S.	France	100%
*SGB Asia Pacific Limited	Hong Kong	100%
*SGB Holdings Inc	USA	100%
*SGB Egypt for Scaffolding and Formwork S.A.E. (note 2)	Egypt	96.88%
*Trenci Engenharia Tecnica Racionalizadas de Construc�o Civil LDA	Portugal	100%
*SGB Denmark ApS	Denmark	100%
*SGB Cz. a.s.	Czech Republic	100%
*SGB Al Darwish United WLL	Qatar	49%
*SGB Asia Pacific (M) SDN Bhd	Malaysia	100%
*SCI Branchy SA	France	100%
*SGB Belgium Sarl	Belgium	100%
*SGB Slovensko Sro	Slovak Republic	100%
*SGB Stallningar AB	Sweden	100%
*Stalen Steigers Holland BV	Netherlands	100%
*SGB Holland BV	Netherlands	100%
*SGB Industrial Services BV	Netherlands	100%
*SGB Events BV	Netherlands	100%
*SGB Raffia (Pty) Ltd	Australia	100%
*SGB Australia (Pty) Limited	Australia	100%

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

10 Investments (continued)

Notes

1. Each company operates in its country of incorporation. Shareholdings in companies marked * are not directly held by Harsco Investment Limited. Subsidiary undertakings which have not traded during the year are not listed.
2. On 15 April 2004 the company acquired further shares from the minority interest shareholder of SGB Egypt for Scaffolding and Formwork SAE., increasing its holding to 96.88%.
3. Harsco Investment Limited acquired the companies by way of internal reorganization during the year.
4. Impairment provision has been made in respect of Slag Reductie (Pacific) BV.

11 Stocks

	Group 2004 £'000	Group 2004 £'000
Raw materials and consumables	13,651	13,570
Work in progress	1,868	1,683
Finished goods	11,693	11,883
	27,212	27,136

12 Debtors

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Amounts receivable				
Trade debtors	153,082	-	137,331	-
Amounts due from associated undertakings	188	-	762	-
Amounts due from group undertakings	76,209	41,383	76,553	22,303
Group relief recoverable	-	1,500	-	1,500
Other debtors	8,143	-	9,897	-
Prepayments	6,825	-	5,288	-
Other debtors – deferred tax	9,522	-	10,787	-
Total amounts receivable due within one year	253,969	42,883	240,618	23,803
Total amounts receivable due after one year –				
- pension prepayment	25,940	-	26,586	-
- amounts due from group undertakings	-	22,024	-	22,506
	279,909	64,907	267,204	46,309

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

13 Creditors: amounts falling due within one year

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Bank overdraft	2,167	3,844	998	833
Loans due within one year	910	-	837	-
Finance leases and hire purchase obligations (see note 15)	133	-	445	-
Trade creditors	62,416	-	54,716	-
Amounts owed to associated undertakings	349	-	200	-
Amounts owed to group undertakings	57,159	77,947	50,711	40,060
Corporation tax	14,807	-	15,379	-
Social security and other taxes	18,960	-	15,724	-
Accruals and deferred income	35,758	184	37,362	70
	192,659	81,975	176,372	40,963

Group

Bank overdrafts are denominated in a number of currencies and bear interest based on UK base rate plus a margin or similar foreign equivalent in the country in which the borrowing is incurred.

Bank overdrafts are unsecured but are underwritten by a guarantee from the ultimate parent company, Harsco Corporation.

14 Creditors: Amounts falling due after more than one year

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Amounts owed to group undertakings	193,932	165,000	196,968	165,000
Other loans	5,133	-	6,264	-
Finance leases and hire purchase obligations (see note 15)	139	-	116	-
Foreign taxation	1,898	-	1,221	-
Other creditors	3,624	256	284	256
	204,726	165,256	204,853	165,256

Group and company

Included within amounts owed to group undertakings is an unsecured long term loan of £165,000,000 (2003: £165,000,000) from the company's parent undertaking, Harsco Corporation, on which interest is payable at a rate of 7.66% and is repayable at the latest by 27 June 2007.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

14 Creditors: Amounts falling due after more than one year (continued)

The accrued interest payable on this loan at 31 December 2004 amounted to £18,259,051 (2003: £16,274,000) and has been included in creditors as amounts owed to group undertakings falling due within one year.

Group

Included within other loans are £4,879,000 (2003: £5,595,000) of loan notes (maturing 2008). Interest on loan notes maturing in 2008 is payable half yearly in arrears at 75 basis points below LIBOR. The loan notes that mature on 31 October 2008 can be repaid earlier if the holder gives 30 days notice of the required repayment. All loan notes issued are underwritten by a guarantee from Harsco Corporation.

15 Loans and other borrowings

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Obligations under finance leases and hire purchase contracts payable:				
Within one year	133	-	445	-
Between one and two years	83	-	98	-
Between two and five years	56	-	18	-
	272	-	561	-

The finance leases and hire purchase liabilities are secured on the related assets.

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Other loans and bank overdrafts payable:				
Within one year	3,077	3,844	1,835	833
Between one and two years	3,426	-	3,747	-
Between two and five years	169,834	165,000	170,876	165,000
In more than five years	25,805	-	28,609	-
	202,142	168,844	205,067	165,833

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

16 Provisions for liabilities and charges

The movement in provisions for liabilities and charges comprises:

	Deferred tax	Other	Total
	Group £'000	Group £'000	Group £'000
At 1 January 2004	19,549	18,581	38,130
Utilised	-	(5,769)	(5,769)
Charged to the profit and loss account	167	5,575	5,742
At 31 December 2004	19,716	18,387	38,103
Deferred tax asset at 1 January 2004	(10,787)		
Charged to the profit and loss account	1,265		
Deferred tax asset at 31 December 2004 (note 12)	(9,522)		
Net deferred tax liability	10,194		

Deferred taxation, at a rate of 30%, comprises:

Analysis of deferred tax recognised	Group 2004 £'000	Group 2003 £'000
Accelerated capital allowances	16,641	13,700
Other short term timing differences	(6,447)	(4,938)
	10,194	8,762

Analysis of unprovided deferred tax assets

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Short term timing differences	635	-	635	-
	635	-	635	-

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

16 Provisions for liabilities and charges (continued)

Other provisions comprise:

Group	As at 1 January 2004	Profit and loss account		As at 31 December 2004
		Utilised	Charged	
	£'000	£'000	£'000	£'000
Facilities discontinuance	5,854	(2,499)	2,531	5,886
Environmental	581	(116)	43	508
Warranty reserve	70	(18)	156	208
Onerous leases	2,412	(1,648)	755	1,519
Insurance reserve	9,597	(1,390)	1835	10,042
Other	67	(98)	255	224
	18,581	(5,769)	5,575	18,387

Facilities discontinued relates principally to retirement indemnities and early retirement provisions for certain territories across the group. A provision is established where there is a statutory requirement to pay such indemnities on retirement of personnel, under local employment law. The above liability is expected to be utilised within the next ten to fifteen years.

Environmental reserve relates to obligations of SGB and Multiserv in respect of the survey and removal on existing sites, and the rectification costs for contaminated land. The liability is expected to be utilised within two years.

Warranty reserve relates to liabilities recognised within SGB Services Limited, in connection with products supplied prior to the acquisition by Harsco that required remedial work. The liability is expected to be utilised within two years.

The onerous lease provision relates to a provision for onerous leases, vacant properties and for unfavourable property leases. The provision for vacant properties is based on a full provision for the residual lease commitments for the remaining period of the leases, as it is not expected that these premises will be sub-let. The provision is expected to be utilised within two years. The provision for unfavourable property leases is based on the shortfall between the rents payable and sub-let rentals receivable over the remaining period of the leases. This provision is expected to be fully utilised in fifteen years.

The insurance provision relates to liabilities recognised within SGB Services Limited and various MultiServ companies for known outstanding claims, and incurred, but not yet reported claims for bodily injury to employees and bodily injury and damage sustained by third parties, arising from business activities. The liability arises under the insurance policy deductibles, which apply to the company's Employers' Liability and Motor/Public/Products Liability policies of insurance. The provision required has been determined following an independent actuarial review by Anistics Financial Consulting.

Other provisions relate in the main to provisions for loss making contracts.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

17 Called up share capital

Group and company	2004		2003	
	Number of shares	£'000	Number of shares	£'000
Authorised				
Equity shares				
Ordinary shares of £1 each	500,001,000	500,001	500,001,000	500,001
Allotted, called up and fully paid				
Equity shares				
Ordinary shares of £1 each	275,001,001	275,001	275,001,001	275,001

18 Profit and loss account

	Group £'000	Company £'000
At 1 January 2004	29,474	8,995
Retained profit/(Loss) for the financial year	19,723	(1,250)
Loss arising on retranslation of net assets in subsidiary undertakings	(8,628)	
At 31 December 2004	40,569	7,745

19 Reconciliation in movement in shareholders' funds

	Group £'000	Company £'000
Opening shareholders' funds	304,475	283,996
Retained profit/(Loss) for the financial year	19,723	(1,250)
Loss arising on retranslation of net assets in subsidiary undertakings	(8,628)	-
Closing shareholders' funds	315,570	282,746

20 Capital commitments

	2004 £'000	2003 £'000
Capital commitments authorised by the Board and contracted for	10,327	10,952

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

21 Pension Schemes

The group operates a pension scheme in the United Kingdom. Harsco Investment Limited is the principal employer. All participating employers taken together are referred to as the "Group". The Scheme comprises ten sections: seven defined benefit sections relating to MultiServ subsidiaries ("the MultiServ section of the Scheme"), two defined benefit sections relating to SGB subsidiaries ("the SGB section of the Scheme") and one combined defined contribution section.

The Scheme operated both defined benefit and defined contribution sections. During 2002, the defined benefit sections of the Scheme were closed to new entrants and new employees were admitted to the defined contribution section of the pension scheme. With effect from 1 January 2004 existing members of the SGB sections did not accrue any further service in their sections of the defined benefit scheme and were transferred to the defined contribution section for future service.

Total Group contributions to the defined contribution section are 8% (2003: 6%) of the relevant payroll which amounts to £2,120,053 (2003: £366,039). The additional 2% contribution increase over 2003 relates to the cost of life insurance and administration costs of the defined contribution scheme.

The actuary is required to perform a detailed valuation of the Scheme every three years for funding purposes. The most recent tri-annual valuation was performed at 31 March 2003. A valuation for SSAP24 purposes was performed as at 31 December 2003 for the Scheme.

For SSAP 24 purposes, the actuarial method used for valuing the Scheme's liabilities was the Projected Unit method. The main assumptions made by the actuary are noted below:

	At 31 December 2004
	%
Investment returns – pre retirement	5.75
Investment returns – post retirement	4.75
Salary increase	3.50
Pension increases (LPI)	2.50

The market value of the assets in respect of the Scheme as at 31 December 2004 was £308.70million. This represented 79% of the actuarial value of the benefits, allowing for projected future salary increases.

The prepayment at 1 January 2004 amounted to £26,586,000 (2003: £34,439,000). The charge for the year covering the Schemes is £12,441,000 (2003: £15,162,000). Contributions paid were £13,496,000 (2003: £7,309,000) resulting in a pension prepayment at 31 December 2004 of £27,641,000. The pension cost figures disclosed above comply with the current pension cost accounting standard SSAP24.

Pension Disclosures under FRS 17

Both the company and the group are required to provide disclosure under the transitional arrangements for FRS 17 "Retirement Benefits".

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

21 Pension Schemes (continued)

For the purposes of transitional disclosure in the consolidated financial statements, a full actuarial valuation was carried out at 31 December 2004.

The major assumptions used by the actuary were:

	2004	2003	2002
Rate of increase in salaries	3.75%	3.50%	3.25%
Rate of increase in deferred pensions	2.75%	2.50%	2.25%
Rate of increase in pensions payment (LPI)	2.84%	2.96%	2.69%
Discount rate	5.30%	5.40%	5.5%
Inflation assumption	2.75%	2.50%	2.25%

The assets in the defined benefit section of the Schemes and the expected rates of return were:

	Long-term rate of return expected at 31 December 2004	Value at 31 December 2004 £'000	Long-term rate of return expected at 31 December 2003	Value at 31 December 2003 £'000	Long-term rate of return expected at 31 December 2002	Value at 31 December 2002 £'000
Equities	7.0%	184,835	7.0%	179,728	7.0%	181,500
Gilts	4.5%	59,018	4.5%	48,908	4.5%	46,350
Bonds	5.4%	60,095	5.4%	50,508	5.5%	21,400
Property	-	-	-	-	7.0%	600
Cash	7.0%	4,745	-	-	-	-
Total market value of assets		308,693		279,144		249,850
Present value of scheme liabilities		(390,065)		(367,558)		(348,938)
Deficit in the scheme		(81,372)		(88,414)		(99,088)
Related deferred tax asset		-		-		-
Net pension deficit		(81,372)		(88,414)		(99,088)

If the above pension deficit was recognised in the financial statements, the group's net assets and profit and loss reserve would be as follows:

	At 31 December 2004 £'000	At 31 December 2003 £'000
Net assets excluding SSAP 24 pension asset	293,032	285,865
FRS17 Pension deficit	(81,372)	(88,414)
Net assets including pension deficit	211,660	197,451

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

21 Pension Schemes (continued)

	At 31 December 2004 £'000	At 31 December 2003 £'000
Profit and loss reserve excluding SSAP 24 pension asset	18,031	10,864
Pension deficit	(81,372)	(88,414)
Profit and loss reserve including FRS17 pension deficit	(63,341)	(77,550)
The group pension expense for its defined benefit schemes, in accordance with FRS 17 would have been as set out below:		
	2004 £'000	2003 £'000
Profit and loss account		
Current service cost	(2,729)	(4,686)
Past service cost	-	-
Charge to operating profit	(2,729)	(4,686)
Expected return on pension scheme assets	17,497	15,808
Interest on pension scheme liabilities	(19,547)	(18,946)
Amount debited to other finance income	(2,050)	(3,138)
Effect on ordinary activities before taxation	(4,779)	(7,824)
Statement of total recognised gains and losses		
Actual return on pension scheme assets less expected return	12,446	19,791
Experience gains and losses arising on the scheme liabilities	(2,834)	13,795
Changes in assumptions underlying the present value of the scheme	(11,287)	(22,397)
Actuarial (loss)/ gain recognised	(1,675)	11,189
Movement in scheme deficit		
	2004 £'000	2003 £'000
Deficit at 1 January	(88,414)	(99,088)
Current service costs	(2,729)	(4,686)
Contributions	13,496	7,309
Net interest	(2,050)	(3,138)
Actuarial (loss)/gain	(1,675)	11,189
Deficit at 31 December	(81,372)	(88,414)

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

21 Pension Schemes (continued)

The actuarial valuation at 31 December 2004 showed a decrease in the deficit from £88 million to £81 million. Benefits were reduced in respect of future service as at 1 January 2003 and contributions increased to £13.5 million (38.2% of pensionable pay). The contributions for the next three years will be at the rates set out in the schedule of contributions dated 26 February 2003.

	2004	2003	2002
History of experience gains and losses			
Difference between expected and actual returns on scheme assets			
amount (£'000)	12,446	19,791	(70,535)
percentage of scheme assets (%)	4%	7%	(28%)
Experience gains and losses on scheme liabilities			
amount (£'000)	(2,834)	13,795	(9,315)
percentage of scheme assets (%)	(1)%	4%	(3%)
Amount in statement of total recognised gains and losses			
amount (£'000)	(1,675)	11,189	(97,471)
percentage of scheme assets (%)	-	3%	(28%)

22 Operating lease commitments

Annual charges under non-cancellable operating leases to which the Group is committed at the year end are:

	2004			2003		
	Land and buildings	Other	Total	Land and buildings	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
On leases expiring :						
Within one year	1,290	4,992	6,282	1,926	4,960	6,886
Between one and two years	553	2,440	2,993	583	3,886	4,469
Between two and five years	1,551	5,153	6,704	1,684	8,755	10,439
After five years	2,702	300	3,002	2,319	23	2,342
	6,096	12,885	18,981	6,512	17,624	24,136

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

23 Related party transactions

During the year the Group supplied £602,772 (2003: £690,000) of goods and services to Granufos SAS, a joint venture company, and received £67,930 (2003: £86,000) of Services from Granufos SAS on normal commercial terms. At 31 December 2004 there was an outstanding amount owing from Granufos SAS of £835,000 (2003: £760,000) and an outstanding amount owing to Granufos SAS of £187,000 (2003: £200,000).

There are no other related party transactions requiring disclosure under FRS 8 'Related Party Disclosures'.

24 Acquisitions

On 16 April 2004 the Group purchased the entire share capital of SGB Raffia for a total consideration of £2,587,000 & deferred consideration. The purchase has been accounted for under acquisition accounting principles and is therefore included in the consolidated balance sheet at 31 December 2004.

	Book and fair value
	£'000
Tangible fixed assets	1,222
Stocks	226
Creditors falling due within one year	(58)
Net assets	1,390
Goodwill arising	1,197
Satisfied by:	
Cash paid on completion	2,587

For the period since acquisition SGB Raffia contributed £4,390,000 to the group's turnover and £705,000 to the profit before taxation. Information prior to the acquisition is not available.

On 1 October 2004 SGB Group Limited acquired the remaining 49% shareholding in Mastclimbers Limited (previously held by the minority interest parties) for a cost of £3,948,000 with a goodwill of £1,952,000.

25 Cash flow

A consolidated cash flow statement is presented in the financial statements of Harsco Corporation. In accordance with the exemption available under Financial Reporting Standard 1 (revised), no cash flow statement is presented in these financial statements.

26 Post balance sheet event

Details of post balance sheet events are included in the Director's report.

Harsco Investment Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

27 Ultimate parent undertaking

Harsco Corporation, a company incorporated in the United States of America, is the immediate parent company and the company's ultimate controlling entity for which the group financial statements are drawn up. Copies of group financial statements in respect of Harsco Corporation may be obtained from Harsco Corporation, 350 Poplar Church Road, P.O. Box 8888, Camp Hill, Pennsylvania 17001-8888, USA.