

**HARSCO INVESTMENT LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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COMPANIES HOUSE

# HARSCO INVESTMENT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S D Fazzolari	
	P B O'Kelly	(Appointed 10 December 2010)
	J G A M Jansen	(Appointed 10 December 2010)
	M R G Hoad	(Appointed 10 December 2010)

<b>Company secretary</b>	J Mortimer
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<b>Company number</b>	03985379
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<b>Registered office</b>	Harsco House Regent Park 299 Kingston Road Leatherhead Surrey KT22 7SG
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<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors First Point Buckingham Gate Gatwick RH6 0PP
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<b>Bankers</b>	National Westminster Bank plc St James' and Piccadilly Branch PO Box 2DG Piccadilly London W1A 2DG
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<b>Solicitors</b>	KJD Freeth LLP Churchill House Regent Road Stoke on Trent Staffordshire ST1 3RQ
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# HARSCO INVESTMENT LIMITED

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# HARSCO INVESTMENT LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2010

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The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2010

#### Principal activities and review of the business

The company is a subsidiary of Harsco Holdings Incorporated, a company incorporated in the United States of America. The company is an intermediate holding and finance company within the Harsco Corporation group of companies.

#### Future Developments

The company holds investments in other group companies and cash balances within the group pooling arrangements, which it will continue to do for the foreseeable future.

#### Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Harsco Corporation group and are not managed separately.

#### Key performance indicators

The company's directors believe that an analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Harsco Investment Limited.

#### Results and dividends

The results for the year are set out on page 6.

An interim ordinary dividend of 1.86p (2009: 85.3p) per share, amounting to £7,308,000 (2009: £335,952,294) was paid during the year. The directors do not recommend payment of a final dividend (2009: £nil).

#### Directors

The following directors have held office since 1 January 2010:

G D H Butler	(Retired 31 December 2010)
M H Cubitt	(Resigned 31 December 2010)
S D Fazzolari	
P B O'Kelly	(Appointed 10 December 2010)
J G A M Jansen	(Appointed 10 December 2010)
M R G Hoad	(Appointed 10 December 2010)

# HARSCO INVESTMENT LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

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#### Financial instruments

##### Treasury operations and financial instruments

The company's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk and credit risk

##### Liquidity risk

The company has access to a mixture of long-term and short-term debt facilities that ensure that the company and group have sufficient available funds for operations and planned expansions

##### Interest rate risk

The company has interest bearing assets in the form of bank deposits, which earn interest at the bank's standard variable rate. Amounts owed to and by group undertakings bear interest at a rate of 0.61% to 6.7% per annum (2009: 0.54% to 6.7% per annum). The bank overdraft is unsecured, repayable on demand and bears interest of 1.5% above the base rate.

##### Foreign currency risk

Foreign currency risk is managed at the company level whilst volatility has been managed at the consolidated group level. As a result, despite the company suffering from foreign exchange valuation fluctuations, there were compensating movements experienced elsewhere within the group.

##### Credit risk

The majority of debtors are amounts owed by group undertakings. Exposure to credit risk is considered minimal.

#### Statement of 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

# HARSCO INVESTMENT LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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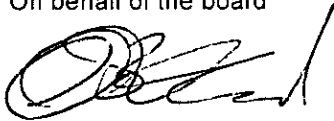
### **Statement of disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent 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.

On behalf of the board



M R G Hoad

Director

13 September 2011

# **HARSCO INVESTMENT LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF HARSCO INVESTMENT LIMITED**

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We have audited the financial statements of Harsco Investment Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# HARSCO INVESTMENT LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF HARSCO INVESTMENT LIMITED

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#### Matters on which we are required to report by exception

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



Christopher Maidment (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

Gatwick

20 September 2011



# HARSCO INVESTMENT LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £'000	2009 £'000
Administrative expenses		(440)	(1,816)
<b>Operating loss</b>	<b>3</b>	(440)	(1,816)
Income from shares in group undertakings	<b>4</b>	7,308	325,952
Interest receivable and similar income	<b>4</b>	820	630
Interest payable and similar charges	<b>5</b>	(271)	(377)
<b>Profit on ordinary activities before taxation</b>		7,417	324,389
Tax on profit on ordinary activities	<b>6</b>	(31)	1,567
<b>Profit for the financial year</b>	<b>12</b>	7,386	325,956

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

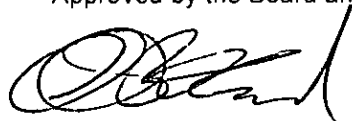
# HARSCO INVESTMENT LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2010

		2010	2009
	Notes	£'000	£'000
<b>Fixed assets</b>			
Investments	7	574,107	574,107
<b>Current assets</b>			
Debtors	8	30,348	29,344
Cash at bank and in hand		1,017	4
		<u>31,365</u>	<u>29,348</u>
<b>Creditors amounts falling due within one year</b>	9	<u>(40,060)</u>	<u>(38,121)</u>
<b>Net current liabilities</b>		<u>(8,695)</u>	<u>(8,773)</u>
<b>Total assets less current liabilities</b>		<u>565,412</u>	<u>565,334</u>
<b>Capital and reserves</b>			
Called up share capital	10	393,760	393,760
Profit and loss account	12	171,652	171,574
<b>Shareholders' funds</b>	13	<u>565,412</u>	<u>565,334</u>

Approved by the Board and authorised for issue on 13 September 2011



M R G Hoad  
Director

Company Registration No 03985379

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared on the going concern basis and under historical cost convention. The directors have received a letter of support from Harsco Holdings Inc stating they will provide sufficient resources to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the date of signing their financial statements.

#### **1.2 Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 (Revised 1996) "Cash Flow Statements" from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### **1.3 Compliance with accounting standards**

The financial statements are prepared in accordance with the Companies Act 2006 and with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except where otherwise stated).

#### **1.4 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.5 Pensions**

The Company operates contributory defined benefit pension schemes. The scheme funds are administered by trustees and are independent of the Company's finances.

The Company also operates a contributory defined contribution scheme. Contributions are charged to the profit and loss account in the period to which they relate. The company has adopted FRS 17 'Retirement Benefits' in these financial statements.

In accordance with the provisions of FRS 17 "Retirement Benefits", the company is required to provide disclosure of the full actuarial valuation. However, the deficit and the related pension costs are not recognised in these financial statements as the company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **1 Accounting policies**

**(continued)**

#### **1 6 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary

#### **1 7 Foreign currency translation**

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

#### **1 8 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Harsco Corporation, a company incorporated in the United States of America, and is included in the consolidated accounts of that company

#### **1 9 Other operating income**

Other operating income, in the form of management fees paid by subsidiaries for services performed on their behalf, is recognised on an as earned basis

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 2 Employees

##### Number of employees

The average monthly number of employees during the year was

	2010 Number	2009 Number
Administration	2	2

##### Employment costs

	2010 £'000	2009 £'000
Wages and salaries	65	94
Social security costs	8	10
Other pension costs	6	5
	79	109

The company has two employees (2009 2) apart from the directors noted on the Directors' Report. None of the directors (2009 none) have received any remuneration for their services to the company during the year, nor are they accruing any benefits under retirement benefit schemes operated by the company (2009 none).

#### 3 Operating loss

	2010 £'000	2009 £'000
Operating loss is stated after charging		
Loss on foreign exchange transactions	-	902
and after crediting		
Profit on foreign exchange transactions	(93)	-

##### Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

Services relating to taxation	40	125
	15	3
	55	128

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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<b>4</b>	<b>Interest receivable and similar income</b>	<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
	Income from shares in group undertakings	7,308	325,952
	Interest from group undertakings	636	508
	Bank interest	184	122
		<hr/>	<hr/>
		8,128	326,582
		<hr/>	<hr/>
<b>5</b>	<b>Interest payable and similar charges</b>	<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
	On amounts payable to group companies	271	315
	On bank loans and overdrafts	-	62
		<hr/>	<hr/>
		271	377
		<hr/>	<hr/>

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

6	Taxation	2010 £'000	2009 £'000
	<b>Current tax</b>		
	U K corporation tax on profit	31	(438)
	Adjustment for prior years	-	(1,129)
	Tax on profit on ordinary activities	<u>31</u>	<u>(1,567)</u>
	<b>Factors affecting the tax charge/(credit) for the year</b>		
	Profit on ordinary activities before taxation	<u>7,417</u>	<u>324,389</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>2,077</u>	<u>90,829</u>
	Effects of		
	Adjustments in respect of prior years	-	(1,129)
	Dividends and distributions received	<u>(2,046)</u>	<u>(91,267)</u>
		<u>(2,046)</u>	<u>(92,396)</u>
	<b>Current tax charge/(credit)</b>	<u>31</u>	<u>(1,567)</u>

The company has no recognised or unrecognised deferred tax balances as at 31 December 2010 (2009 £nil)

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 7 Investments

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 1 January 2010 & at 31 December 2010	579,094
<b>Provisions for diminution in value</b>	
At 1 January 2010 & at 31 December 2010	4,987
<b>Net book value</b>	
At 31 December 2010	574,107
At 31 December 2009	574,107

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Principal activity	Country of registration or incorporation	Shares held Class	%
Slag Reductie (Pacific) BV	Holding company	Netherlands	Ordinary	100
Harsco Infrastructure Group Limited	Holding company	England and Wales	Ordinary	100

The directors consider the value of the investments to be supported by their underlying assets

8 Debtors	2010 £'000	2009 £'000
Amounts owed by group undertakings	30,326	28,378
Corporation tax	20	964
Other debtors	2	2
	<u>30,348</u>	<u>29,344</u>

Amounts owed by group undertakings are unsecured, bear interest at a rate of 0.86% to 6.7% (2009 0.79% to 6.7%) per annum and have no fixed date of repayment



# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

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9	Creditors amounts falling due within one year	2010 £'000	2009 £'000
	Bank loans and overdrafts	-	8,907
	Amounts owed to group undertakings	40,001	29,111
	Accruals and deferred income	59	103
		<u>40,060</u>	<u>38,121</u>

Amounts owed to group undertakings are unsecured, bear interest at a rate of 0.61% to 0.73% (2009 0.54% to 4.41%) per annum and have no fixed date of repayment

The bank overdraft is unsecured, repayable on demand and bears interest of 1.5% above the base rate

10	Called up share capital	2010 £'000	2009 £'000
	<b>Authorised</b>		
	500,001,000 (2009 500,001,000) ordinary shares of £1 each	<u>500,001</u>	<u>500,001</u>
	<b>Allotted and fully paid</b>		
	393,759,688 (2009 393,759,688) ordinary shares of £1 each	<u>393,760</u>	<u>393,760</u>

11	Dividends	2010 £'000	2009 £'000
	Ordinary interim paid	<u>7,308</u>	<u>335,952</u>

The dividend per share was 1.86 pence (2009 85.3 pence)

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 12 Statement of movements on profit and loss account

**Profit and  
loss  
account  
£'000**

Balance at 1 January 2010	171,574
Profit for the financial year	7,386
Dividends paid	(7,308)
Balance at 31 December 2010	171,652

#### 13 Reconciliation of movements in shareholders' funds

**2010  
£'000**

**2009  
£'000**

Profit for the financial year	7,386	325,956
Dividends	(7,308)	(335,952)
Net addition to/(depletion in) shareholders' funds	78	(9,996)
Opening shareholders' funds	565,334	575,330
Closing shareholders' funds	565,412	565,334

#### 14 Contingent liabilities

The company has unlimited cross guarantees in favour of certain Harsco companies in the United Kingdom, as part of a cash pooling arrangement. This arrangement is underwritten by Harsco Corporation. As at 31 December 2010, the contingent liability was £nil (2009: £nil).

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 15 Pension and other post-retirement benefit commitments

The Harsco Corporation group has a number of pension schemes around the world covering many of its employees. The principal defined benefit schemes are those in the United Kingdom, Netherlands, Channel Islands, Germany and Belgium. In addition the group has a number of defined contribution schemes.

The largest scheme is in the United Kingdom, of which the defined benefit sections were closed to new entrants in 1998 (the MultiServ section) and 2002 (the SGB section). New employees after those dates were admitted to the defined contribution section on the pension scheme. With effect from 1 January 2004, in respect of the SGB section, and 31 December 2008 all other sections, members did not accrue any further service in their sections of the defined benefit scheme and were transferred to the defined contribution scheme for future service.

The defined benefit schemes are funded schemes with assets held in separate trustee administered funds.

An actuarial valuation was carried out as at 31 December 2010 for the United Kingdom, Channel Islands and Netherland schemes by Mercer, a qualified actuary. The valuation of the United Kingdom scheme is disclosed in these accounts.

The pension schemes do not invest in any financial instruments of the Harsco Corporation nor does Harsco Corporation utilise any of the assets, including property, in which the pension schemes have invested.

#### **Pension disclosures under Financial Reporting Standard Number 17 (FRS17) - "Retirement Benefits"**

In accordance with the provisions of FRS 17 "Retirement Benefits", the company is required to provide disclosure of the full actuarial valuation. However the deficit and the related pension costs are not recognised in these financial statements as the company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

### 15 Pension and other post-retirement benefit commitments

(continued)

The major assumptions used by the actuary were

	2010 %	2009 %
Rate of increase in pensions in payment	3.35	3.40
Discount rate	5.40	5.70
Inflation - RPI assumption	3.35	3.40
Inflation - CPI assumption	2.85	-
	<u>2010</u>	<u>2009</u>
	<u>Years</u>	<u>Years</u>
Further life expectancy of male member aged 65 (current life expectancy)	22.2	20.6
Further life expectancy of female member aged 65 (current life expectancy)	23.2	23.2
Further life expectancy of male member aged 40 (life expectancy at age 65)	23.2	22.0
Further life expectancy of female member aged 40 (life expectancy at age 65)	24.4	24.4

### Expected rate of return and contributions

The overall expected rate of return was developed by considering the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and expected future returns for each asset class. The expected return for each asset class was then weighted based on the target class allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

Harsco Investment Limited expects to make contributions of £15,118,820 in 2011.

The long term expected rates of return are as follows

	2010 %	2009 %
Equities	7.18	7.50
Bonds	5.42	5.70
Gilts	4.18	4.50
Cash	0.50	0.50
	<u>6.30</u>	<u>6.34</u>

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

### 15 Pension and other post-retirement benefit commitments

(continued)

The values of the assets in the scheme are as follows

	2010 £'000	2009 £'000
Equities	225,611	211,942
Bonds	116,145	104,581
Gilts	40,186	29,066
Cash	1,880	6,299
Total market value of assets	383,822	351,888
Present value of scheme liabilities	(475,876)	(466,936)
Net pension liability	(92,054)	(115,048)

#### Analysis of the pension expense

	2010 £'000	2009 £'000
Interest cost	25,968	23,641
Expected return on plan assets	(21,836)	(18,076)
Total operating charge	4,132	5,565

Changes in the present value of the defined benefit obligation are as follows

	2010 £'000	2009 £'000
Opening present value of defined benefit obligation	466,936	404,113
Interest cost	25,968	23,641
Actuarial losses/(gains)	5,698	59,382
Benefits paid	(22,726)	(20,200)
Closing present value of defined benefit obligation	475,876	466,936

# HARSCO INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 15 Pension and other post-retirement benefit commitments (continued)

##### Changes in fair value of plan assets are as follows

	2010 £'000	2009 £'000
Opening fair value of plan assets	351,888	326,313
Expected return	21,836	18,076
Actuarial gains/(losses)	25,046	15,164
Contributions by employer	7,778	12,535
Benefits paid	(22,726)	(20,200)
Closing fair value of plan assets	383,822	351,888
Actual return on scheme assets	46,882	33,240

##### History of experience gains and losses

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Defined benefit obligation	(475,876)	(466,936)	(404,113)	(440,633)	(435,495)
Plan assets	383,822	351,888	326,313	400,354	388,066
Surplus/(deficit)	(92,054)	(115,048)	(77,800)	(40,279)	(47,429)

##### Difference between the expected and actual return on scheme assets

amount (£'000)	25,046	15,164	(88,044)	(7,147)	4,514
percentage of scheme assets (%)	7%	4%	(27)%	(2)%	1%

##### Experience gains and losses on scheme liabilities

amount (£'000)	(22,907)	24,434	(19,938)	(5,666)	(10,869)
percentage of scheme assets (%)	(5)%	5%	(5)%	(1)%	(2)%

Total amount not recognised in statement of recognised gains and losses	19,348	(44,218)	(44,254)	(6,204)	10,583
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Cumulative amount not recognised in statement of recognised gains and losses	(151,257)	(170,605)	(126,387)	(120,183)	(130,766)
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# **HARSCO INVESTMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **16 Related party transactions**

The company has taken advantage of the exemption conferred by Financial Reporting Standard Number 8 "Related Party Disclosures" from the requirement to disclose transactions with group companies on the grounds that it is a wholly owned subsidiary of the group headed by Harsco Corporation

### **17 Control**

The immediate parent company is Harsco Holdings Incorporated, a company registered in the United States of America

Harsco Corporation, a company registered in the United States of America, is the company's ultimate controlling entity and the ultimate parent company for which group financial statements are drawn up. It is also the parent of the largest and smallest group to consolidate these accounts. Copies of group financial statements in respect of Harsco Corporation may be obtained from Harsco Corporation, 350 Poplar Church Road, Camp Hill, PA 17001, USA