

Company Registration No. 03985379 (England and Wales)

HARSCO INVESTMENT LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

HARSCO INVESTMENT LIMITED

COMPANY INFORMATION

Directors	S Cooper G M Stubbs J J Sweeney
Secretary	Graham Smith
Company number	03985379
Registered office	Harsco House Regent Park 299 Kingston Road Leatherhead Surrey KT22 7SG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Portland Building 25 High Street Crawley West Sussex RH10 1BG
Bankers	National Westminster Bank plc St James' and Piccadilly Branch PO Box 2DG Piccadilly London W1A 2DG
Solicitors	Freeth Cartwright LLP Churchill House Regent Road Stoke on Trent Staffordshire ST1 3RQ

HARSCO INVESTMENT LIMITED

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HARSCO INVESTMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

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.

During the year the company acquired Harsco Fairways Partnership from its parent Harsco Holdings Incorporated for £118,900,000 in exchange for the issue of 24,288,068 £1 ordinary shares and assumption of ownership of a creditor of £94,611,932 that Harsco Holdings Incorporated held with Harsco Infrastructure Group Limited. The investment in Harsco Fairways Partnership was then sold for £118,900,000 to Harsco Infrastructure Group Ltd in full settlement of the aforementioned creditor of £94,611,932 and partial settlement of a previous existing debt between the company and Harsco Infrastructure Group Limited.

Due to the ongoing economic weakness experienced by many of the entities held by the company, there has been a decrease in the expected return that will be made by these entities. Therefore the company's investments have been written down by £117,597,000 (2013: £147,423,000) to the amount that the investments are deemed to be worth based upon a mixture of the net asset values and discounted cash flows of all the companies' direct and indirect investments.

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.

The company is not a trading entity and the directors do not therefore use key performance indicators in assessing the performance of the company.

On behalf of the board



S Cooper

Director

29/11/15

HARSCO INVESTMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2014.

Results and dividends

The results for the year are set out on page 7.

An interim ordinary dividend was paid amounting to £nil (2013: £127,547,321). The directors do not recommend payment of a final dividend.

Post balance sheet events

In July 2015 the company acquired Harsco (York Place) Limited from its parent, Harsco Holdings Incorporated in exchange for issuing £6,699,100 £1 ordinary shares and £419,627 of share premium. The company subsequently settled £7,118,727 of its debt with its subsidiary Harsco Infrastructure Group Limited by transferring its investment in Harsco (York Place) Limited to Harsco Infrastructure Group Limited at net book value.

A significant customer of a subsidiary of the Company ceased trading since the year end, which is expected to impact the future results of the subsidiary. The Directors believe the conditions leading to this event were not present at the balance sheet date, therefore no adjustments have been made to reflect the impact of the conditions in these financial statements.

Directors

The following directors have held office since 1 January 2014:

S Cooper

G M Stubbs

J J Sweeney

B Malamud

(Resigned 20 July 2015)

HARSCO INVESTMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

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% to 0.83% per annum (2013: 0% to 0.91% 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 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.

Investments and pension

As an investment holding company, the primary risk is the performance of the underlying investments when determining whether the investments continue to be carried at the amount recorded.

As the principal employer of the Harsco pension scheme, the company is responsible for ensuring the necessary payments are made to reduce the deficit. Due to the nature of stock markets and the financial environment, there is significant risk encountered in fluctuations of the pension deficit.

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.

HARSCO INVESTMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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.

Statement of disclosure 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.

On behalf of the board



S Cooper

Director

29/9/15

HARSCO INVESTMENT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HARSCO INVESTMENT LIMITED

Report on the financial statements

Our opinion

In our opinion, HarSCO Investment Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss 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.

What we have audited

The financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

HARSCO INVESTMENT LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HARSCO INVESTMENT LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) ("ISAs (UK & 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 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Graham Lambert (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

29 September 2015

HARSCO INVESTMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
Administrative expenses		(315)	(990)
Operating loss	2	(315)	(990)
Income from shares in group undertakings	3	-	127,547
Other interest receivable and similar income	4	192	221
Amounts written off investments	5	(117,597)	(147,423)
Interest payable and similar charges	6	(249)	(259)
Loss on ordinary activities before taxation		(117,969)	(20,904)
Tax on loss on ordinary activities	7	(40)	239
Loss for the financial year	14	(118,009)	(20,665)

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.

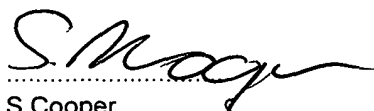
HARSCO INVESTMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

		2014		2013	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	9		326,117		443,714
Current assets					
Debtors: amounts falling due within one year	10	1,118		973	
Debtors: amounts falling due after more than one year	10	17,749		17,749	
Cash at bank and in hand		10,984		13,432	
		29,851		32,154	
Creditors: amounts falling due within one year	11	(20,965)		(47,144)	
Net current assets/(liabilities)			8,886		(14,990)
Total assets less current liabilities			335,003		428,724
Creditors: amounts falling due after more than one year	12		(11)		(11)
			334,992		428,713
Capital and reserves					
Called up share capital	13		418,048		393,760
Share premium account	14		7,267		7,267
Profit and loss account	14		(90,323)		27,686
Shareholder's funds	15		334,992		428,713

Approved by the Board and authorised for issue on 29/1/15



S Cooper
Director

Company Registration No. 03985379

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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 Corporation 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.

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.

1.2 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).

1.3 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4 Investments

Fixed asset investments are stated at cost less provision for impairment. Impairment reviews are undertaken when there is evidence that there is evidence that there might be an impairment. If the underlying value of the investment is found to be lower than the carrying value in the company's books then the investment is impaired to that value. The underlying value of the investment is taken to be the higher of the investments continuing use in business value and its net asset value. In order to determine the continuing use in business value the net present value of the expected return of the investments' cash generating units is forecasted and the subsequent result taken to be the continuing use in business value. If subsequently the investment regains some of the value that was previously impaired the investment is written back up by that amount.

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 2014

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 financial statements 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 financial statements of that company.

2 Operating loss

	2014 £'000	2013 £'000
Operating loss is stated after charging:		
Loss on foreign exchange transactions	16	54
Operating lease rentals	19	-
Fees payable to the company's auditor for the audit of the company's annual accounts	54	30
	<u> </u>	<u> </u>

3 Income from shares in group undertakings

	2014 £'000	2013 £'000
Income from shares in group undertakings	-	127,547
	<u> </u>	<u> </u>

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

4	Other interest receivable and similar income	2014	2013
		£'000	£'000
	Interest receivable from group undertakings	-	78
	Interest receivable from participating interests	47	4
	Bank interest	145	139
		<u>192</u>	<u>221</u>

5	Amounts written off investments	2014	2013
		£'000	£'000
	Amounts written off fixed asset investments	117,597	147,423
		<u>117,597</u>	<u>147,423</u>

Due to the economic weakness experienced by many of the entities held by the company, there has been a decrease in the expected return that will be made by these entities. Therefore the company's investments have been written down by £117,597,000 (2013: £147,423,000) (note 9) to the amount that the investments are deemed to be worth based upon a mixture of net asset values and discounted cash flows of all the companies' direct and indirect investments.

6	Interest payable and similar charges	2014	2013
		£'000	£'000
	On amounts payable to group companies	249	259
		<u>249</u>	<u>259</u>

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

7	Tax on loss on ordinary activities	2014 £'000	2013 £'000
	Domestic current year tax		
	U.K. corporation tax	(80)	(239)
	Adjustment to previous years	120	-
	Total current tax	<u>40</u>	<u>(239)</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(117,969)</u>	<u>(20,904)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%)	<u>(25,363)</u>	<u>(4,860)</u>
	Effects of:		
	Permanent differences on impairment	25,283	34,276
	Adjustments to previous years	120	-
	Dividend income not taxable	-	(29,655)
		<u>25,403</u>	<u>4,621</u>
	Current tax charge for the year	<u>40</u>	<u>(239)</u>

The company has no recognised or unrecognised deferred tax balances as at 31 December 2014 (2013: £nil)

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK of 21.50%.

8	Dividends	2014 £'000	2013 £'000
	Ordinary interim paid	<u>-</u>	<u>127,547</u>

The dividend per share was nil pence (2013: 32 pence) amounting to £nil (2013: £127,547, and was paid on 13 December 2013).

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2014	591,137
Additions	118,900
Disposals	(118,900)
At 31 December 2014	591,137
Provisions for diminution in value	
At 1 January 2014	147,423
Charge for the year	117,597
At 31 December 2014	265,020
Net book value	
At 31 December 2014	326,117
At 31 December 2013	443,714

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	Class	Shares held %
Subsidiary undertakings				
Slag Reductie (Pacific) BV	Holding company	Netherlands	Ordinary	100
Harsco Infrastructure Group Limited	Holding company	England and Wales	Ordinary	100

The company indirectly holds share capital of the following companies, which are accounted for by the ultimate parent as subsidiaries:

	Principal activity	Country of registration or incorporation	Class	Shares held %
SteelServ Limited	Metals production support services	New Zealand	Ordinary	50
Harsco Surrey Limited	Dormant	England and Wales	Ordinary	100
Harsco (UK) Holdings Limited	Dormant	England and Wales	Ordinary	100

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed asset investments					(Continued)
Slag Reductie Nederland B.V.	Financing company	Netherlands	Ordinary	100	
MultiServ Technologies (South Africa) (Proprietary) Limited	Dormant	South Africa	Ordinary	100	
Harsco Infrastructure Hong Kong Limited	Dormant	Hong Kong	Ordinary	100	
SGB Holdings Limited	Dormant	England and Wales	Ordinary	100	
SGB Holdings Limited	Dormant	England and Wales	Preference	100	
Cuplok Limited	Dormant	England and Wales	Ordinary	100	
Cuplok Limited	Dormant	England and Wales	Preference	100	
Parker Scaffolding Co. Limited	Dormant	England and Wales	Ordinary	100	
Parker Scaffolding Co. Limited	Dormant	England and Wales	Preference	100	
Parker Scaffolding Co. Limited	Dormant	England and Wales	Founder	100	
Scaffolding (Great Britain) Limited	Dormant	England and Wales	Ordinary	100	
SGB Middle East Limited	Dormant	England and Wales	Ordinary	100	
Rovacabin Limited	Dormant	England and Wales	Ordinary	100	
MultiServ Investment Limited	Dormant	England and Wales	Ordinary	100	
Faber Prest Limited	Dormant	England and Wales	Ordinary	100	
Harsco Metals Limited	Dormant	England and Wales	Ordinary	100	
Harsco Track Technologies Limited	Dormant	England and Wales	Ordinary	100	
The Slag Reduction Company Limited	Dormant	England and Wales	Ordinary	100	
The Slag Reduction Company Limited	Dormant	England and Wales	Deferred	100	
Heckett Limited	Dormant	England and Wales	Ordinary	100	
MultiServ Logistics Limited	Dormant	England and Wales	Ordinary	100	
MultiServ Limited	Dormant	England and Wales	Ordinary	100	
Harsco Infrastructure Holdings Inc	Financing company	United States of America	Ordinary	100	
SGB Investments Limited	Dormant	England and Wales	Ordinary	100	
Harsco Metals Holdings Limited	Metals production support services	England and Wales	Ordinary	100	
Harsco (UK) Group Limited	Holding company	England and Wales	Ordinary	100	
Harsco Metals Group Limited	Metals production support services	England and Wales	Ordinary	100	
Mastclimbers Limited	Dormant	England and Wales	Ordinary	100	
Harsco Metals 373 Limited	Dormant	England and Wales	Ordinary	100	
Harsco Metals 373 Limited	Dormant	England and Wales	Preference	100	
Harsco Metals 373 Limited	Dormant	England and Wales	Redeemable preference	100	
Harsco Global Sourcing Limited	Dormant	England and Wales	Ordinary	100	
Harsco Infrastructure Services Limited	Property investment	England and Wales	Ordinary	100	
Fourninezero Limited	Dormant	England and Wales	Ordinary	100	
Fourninezero Limited	Dormant	England and Wales	Special	100	

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed asset investments					(Continued)
Short Brothers (Plant) Limited	Dormant	England and Wales	Ordinary	100	
Harsco Fairways Partnership	Financing entity	England and Wales		99	
Harsco Luxembourg S.A.R.L.	Holding company	Luxembourg	Ordinary	43	
Harsco Asia China Investment B.V.	Financing company	Netherlands	Ordinary	43	
GasServ (Netherlands) VII B.V.	Financing company	Netherlands	Ordinary	43	
Harsco Asia Pacific Investment B.V.	Holding company	Netherlands	Ordinary	43	
Harsco Asia Investment B.V.	Holding company	Netherlands	Ordinary	43	
Harsco China Holding Company Limited	Holding company	Hong Kong	Ordinary	43	
Harsco (Tangshan) Metallurgical Minerals Technology Co. Limited	Metals production support services	China	Ordinary	28	
Harsco Apac Rail Machinery Trading (Beijing) Co. Limited	Railtrack maintenance	China	Ordinary	43	
Shanxi Tisco-Harsco Technology Co. Limited	Metals production support services	China	Ordinary	26	
Harsco Industrial Grating China Holding Company Limited	Holding company	China	Ordinary	43	
Harsco Industrial Grating China Holding Company Limited	Holding company	China	Preference	43	
Jiangsu Harsco Industrial Grating Company Limited	Industrial equipment manufacture	China	Ordinary	43	
Jiangsu Harsco Industrial Grating Company Limited	Industrial equipment manufacture	China	Preference	43	
Harsco Technology China Co. Limited	Metals production support services	China	Ordinary	43	
Harsco Minerals Austria GmbH	Dormant	Austria	Ordinary	43	
Harsco Minerali D.O.O.	Metals production support services	Slovenia	Ordinary	43	
Harsco International Finance S.A.R.L.	Financing company	Luxembourg	Ordinary	43	
Harsco Leatherhead Limited	Holding company	England and Wales	Ordinary	43	
Harsco Mole Valley Limited	Financing company	England and Wales	Ordinary	43	
Harsco Rail Europe GmbH	Railtrack maintenance	Germany	Ordinary	43	

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9	Fixed asset investments	(Continued)
	<div> <div>Harsco Metals CTS Pretacao de</div> <div>Servicos Tecnicos e Aluguer de</div> <div>Equipamentos LDA Unipessoal</div> <div>production support services</div> </div>	<div> <div>Portugal</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Infrastructure Sverige</div> <div>A.B.</div> <div>Dormant</div> </div>	<div> <div>Sweden</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Hünnebeck Middle East FZE</div> <div>Administration company</div> </div>	<div> <div>United Arab Emirates</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Infrastructure Norge</div> <div>A.S.</div> <div>Dormant</div> </div>	<div> <div>Norway</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Investments Europe</div> <div>B.V.</div> <div>Holding company</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Metals Egypt LLC</div> <div>Metals production support services</div> </div>	<div> <div>Egypt</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Infrastructure B.V.</div> <div>Dormant</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Verhuurservice Gereedschap en</div> <div>Materialen Holland B.V.</div> <div>Dormant</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Infrastructure</div> <div>Construction Services B.V.</div> <div>Dormant</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Infrastructure Industrial</div> <div>Services B.V.</div> <div>Dormant</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Infrastructure Logistic</div> <div>Services B.V.</div> <div>Dormant</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>SGB Industrial Services B.V.</div> <div>Dormant</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Infrastructure SSH B.V.</div> <div>Dormant</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Hünnebeck Nederland B.V.</div> <div>Dormant</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Europa B.V.</div> <div>Holding company</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Metals Reclamet S.A.</div> <div>Metals production support services</div> </div>	<div> <div>Spain</div> <div>Ordinary</div> <div>42</div> </div>
	<div> <div>Harsco (UK) Limited</div> <div>Holding company</div> </div>	<div> <div>England and Wales</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco (UK) Limited</div> <div>Holding company</div> </div>	<div> <div>England and Wales</div> <div>Preference</div> <div>43</div> </div>
	<div> <div>Harsco Rail Limited</div> <div>Railtrack maintenance</div> </div>	<div> <div>England and Wales</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Metals Holland B.V.</div> <div>Metals production support services</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Harsco Metals Transport B.V.</div> <div>Holding company</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>
	<div> <div>Minerval Metallurgical Additives</div> <div>B.V.</div> <div>Metals production support services</div> </div>	<div> <div>Netherlands</div> <div>Ordinary</div> <div>43</div> </div>

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9	Fixed asset investments				(Continued)
	Harsco India Private Limited	Metals production support services	India	Ordinary	32
	Harsco India Metals Private Limited	Metals production support services	India	Ordinary	32
	MultiServ International B.V.	Holding company	Netherlands	Ordinary	43
	Heckett MultiServ China B.V.	Holding company	Netherlands	Ordinary	43
	Harsco Metals Zhejiang Co. Limited	Metals production support services	China	Ordinary	30
	Harsco Metals (Ningbo) Co. Limited	Metals production support services	China	Ordinary	21
	Heckett MultiServ (FS) (PTY) Limited	Dormant	South Africa	Ordinary	43
	Harsco Metals 385 Limited	Financing company	England and Wales	Ordinary	43
	Harsco Metals 385 Limited	Financing company	England and Wales	Preference	43
	Harsco Metals Australia Holding Investment Company Pty Limited	Holding company	Australia	Ordinary	43
	Harsco Metals Australia Pty Limited	Metals production support services	Australia	Ordinary	43
	Harsco Metals Luxequip S.A.	Metals production support services	Luxembourg	Ordinary	43
	Harsco Metals Luxembourg S.A.	Metals production support services	Luxembourg	Ordinary	43
	Harsco Minerals Europe B.V.	Holding company	Netherlands	Ordinary	43
	Harsco Minerals Deutschland GmbH	Dormant	Germany	Ordinary	43
	Harsco France SAS.	Holding company	France	Ordinary	43
	Harsco Brazil Investments Sprl	Holding company	Belgium	Ordinary	43
	Harsco Americas Investments SARL	Holding company	Luxembourg	Ordinary	43
	Harsco do Brasil Participacoes e Servicos Siderugicos Ltda	Holding company	Brazil	Ordinary	43

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed asset investments					(Continued)
Harsco Metals Ltda	Metals production support services	Brazil	Ordinary		43
Harsco Comercio de Rejeitos Industriais, Impotacao e Exportacao Ltda	Dormant	Brazil	Ordinary		43
Harsco Rail Ltda	Railtrack maintenance	Brazil	Ordinary		43
Harsco Chile Investments Sprl	Holding company	Belgium	Ordinary		43
Harsco Metals Chile S.A.	Metals production support services	Chile	Ordinary		43
Harsco Nederland Slag B.V.	Holding company	Netherlands	Ordinary		43
Harsco Metals South Africa (Pty.) Limited	Holding company	South Africa	Ordinary		43
Harsco Metals Ilanga Pty Limited	Metals production support services	South Africa	Ordinary		32
Harsco Metals SRH Mill Services (Proprietary) Limited	Dormant	South Africa	Ordinary		43
Harsco Metals RSA (Proprietary) Limited	Dormant	South Africa	Ordinary		43
Czech Slag Nova Hut SRO	Metals production support services	Czech Republic	Ordinary		28
Harsco Metals Cz SRO	Metals production support services	Czech Republic	Ordinary		44
Harsco Metals Slovensko SRO	Metals production support services	Slovakia	Ordinary		43
Harsco Infrastructure South Africa (Pty.) Limited	Dormant	South Africa	Ordinary		43
MultiServ (Sweden) A.B.	Holding company	Sweden	Ordinary		43
Montanus Industriforvaltning A.B.	Holding company	Sweden	Ordinary		43
Harsco Metals Sweden A.B.	Metals production support services	Sweden	Ordinary		43
MultiServ OY	Dormant	Finland	Ordinary		43
SGB Scafform Limited	Dormant	Ireland	Ordinary		43
Harsco Metals SteelServ (Pty) Limited	Dormant	South Africa	Ordinary		43

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9	Fixed asset investments				(Continued)
	Excell Africa Holdings Limited SARL	Dormant	Luxembourg	Ordinary	43
	Harsco Metals and Minerals France SAS	Metals production support services	France	Ordinary	43
	Harsco Minerals France SAS	Metals production support services	France	Ordinary	43
	Harsco Infrastructure Cz S.R.O.	Dormant	Czech Republic	Ordinary	43
	Harsco Infrastructure Slovensko S.R.O.	Dormant	Slovakia	Ordinary	43
	Harsco Metals Argentina S.A.	Metals production support services	Argentina	Ordinary	43
	Harsco Metals Guatemala S.A.	Metals production support services	Guatemala	Ordinary	43
	Harsco Metals Lycrete SAU	Metals production support services	Spain	Ordinary	43
	Harsco Metals Intermetal S.A.	Dormant	Spain	Ordinary	43
	MultiServ Nordiska A.B.	Holding company	Sweden	Ordinary	43
	Harsco Metals Norway A.S.	Metals production support services	Norway	Ordinary	43
	Harsco Metals Nord Italia S.r.l.	Metals production support services	Italy	Ordinary	43
	Harsco Metals Italia S.r.l.	Metals production support services	Italy	Ordinary	43
	IIServ S.r.l.	Metals production support services	Italy	Ordinary	28
	MultiServ Finance B.V.	Holding company	Netherlands	Ordinary	43
	Harsco Metals Holding LLC	Holding company	United States of America	Ordinary	43
	Harsco Metals VB LLC	Financing company	United States of America	Ordinary	43
	Harsco Metals Intermetal LLC	Financing company	United States of America	Ordinary	43
	Harsco Metals Operations Limited	Financing company	United States of America	Ordinary	43

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9	Fixed asset investments				(Continued)
	Harsco Belgium Sprl	Metals production support services	Belgium	Ordinary	43
	Harsco Metals Belgium S.A.	Dormant	Belgium	Ordinary	43
	Harsco Rail Emirates Maatschap Societe de Droit Commun	Dormant	Belgium	Ordinary	43
	Harsco Metals Emirates Maatschap	Dormant	Belgium	Ordinary	28
	Heckett MultiServ MV and MS CA	Dormant	Venezuela	Ordinary	43
	Harsco (Peru) Holdings B.V.	Holding company	Netherlands	Ordinary	43
	Harsco Metals Peru S.A.	Metals production support services	Peru	Ordinary	43
	Harsco Canada General Partner Limited	Holding company	Canada	Ordinary	43
	Harsco Nova Scotia Holding Corporation	Holding company	Canada	Ordinary	43
	Harsco Canada Limited Partnership	Holding company	Canada	Ordinary	43
	Harsco Canada Corporation	Metals production support services	Canada	Ordinary	43
	Harsco Metals Investment LLC	Holding company	United States of America	Ordinary	43
	Harsco Metals Gesmafesa S.A.	Dormant	Spain	Ordinary	43
	Harsco Metals Kemaman Sdn. Bhd.	Dormant	Malaysia	Ordinary	43
	Harsco (Mexico) Holdings B.V.	Holding company	Netherlands	Ordinary	43
	Irving S.A. de C.V	Holding company	Mexico	Ordinary	43
	Harsco Metals de Mexico S.A. de C.V.	Metals production support services	Mexico	Ordinary	43
	Harsco Industrial IKG de Mexico S.A. de C.V.	Industrial equipment manufacture	Mexico	Ordinary	43
	Heckett MultiServ Far East B.V.	Holding company	Netherlands	Ordinary	43
	Harsco Track Machines and Services Private Limited	Railtrack maintenance	India	Ordinary	43
	Harsco India Services Private Limited	Administration company	India	Ordinary	43
	Chrome Ore Services (Private) Limited	Metals production support services	Pakistan	Ordinary	39

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9	Fixed asset investments	(Continued)
Harsco Metals (Thailand) Company Limited	Metals production support services	Thailand Ordinary 43
Harsco (Australia) Pty. Limited	Holding company	Australia Ordinary 43
Harsco Rail Pty. Limited	Railtrack maintenance	Australia Ordinary 43
Harsco Industrial Air-X Changers Pty. Limited	Dormant	Australia Ordinary 35
Excell Americas Holdings Limited S.A.R.L.	Holding company	Luxembourg Ordinary 43
Harsco Minerais Ltda	Metals production support services	Brazil Ordinary 43
Harsco Metals Ukraine LLC	Dormant	Ukraine Ordinary 43
Harsco Metals Oostellijk Staal International B.V.	Holding company	Netherlands Ordinary 43
Alexandros International Limited	Dormant	Greece Ordinary 43
Harsco Metals Polska SP Z.o.o.	Metals production support services	Poland Ordinary 43
Harsco Metals Romania S.r.l.	Dormant	Romania Ordinary 43
Harsco Metals D.o.o. Smederevo	Metals production support services	Serbia Ordinary 43
Harsco Metals Sri LLC	Holding company	United States of America Ordinary 43
Slag Processing Company Egypt (Slar) SAE	Dormant	Egypt Ordinary 26
Heckett MultiServ Bahna S.A.E.	Dormant	Egypt Ordinary 28
Heckett Bahna Co. for Industrial Operations S.A.E.	Dormant	Egypt Ordinary 28
AluServ Middle East WLL	Metals production support services	Bahrain Ordinary 28
Heckett MultiServ Saudi Arabia Co. Limited	Metals production support services	Saudi Arabia Ordinary 24

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed asset investments

(Continued)

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

The company acquired the partnership share owned in Harsco Fairways Limited Partnership by its parent Harsco Holdings Incorporated for £118,900,000. It subsequently sold this investment on to its subsidiary Harsco Infrastructure Group Limited for £118,900,000.

Additionally, due to the ongoing economic weakness experienced by many of the Metals trading entities held by the company, there has been a decrease in the expected return that will be made by these entities. As a result the company's investments have been written down by £117,597,000 (2013: £147,423,000) to the amount that the investments are deemed to be worth based upon a mixture of the net asset values and discounted cash flows of all the companies' direct and indirect investments.

Net asset values were used where investments were non trading, and management compared the net asset value less the holding amount of the investments, adding back all subsidiary net assets or valuations.

For trading entities, management used a discounted cash flow valuation methodology, with an appropriate discount rate based on the interest rates and risk factor of the country and entity. Discounted cash flows are based on the 2014 budget results and a five year forecast with a terminal value, based upon long term expected economic growth rates.

10 Debtors	2014 £'000	2013 £'000
Amounts owed by group undertakings	17,749	17,769
Amounts owed by undertakings in which the company has a participating interest	754	713
Corporation tax	364	239
Other debtors	-	1
	<u>18,867</u>	<u>18,722</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014 £'000	2013 £'000
Amounts owed by group undertakings	<u>17,749</u>	<u>17,749</u>

Amounts owed by group undertakings are unsecured, bear interest at a rate of 0% (2013: 0%) per annum and have no fixed date of repayment. A number of balances are with entities that are dormant or that are expected to become dormant in the following year and therefore these balances have been reclassified as long term as they are not expected to be repaid in the foreseeable future.

Amounts owed by undertakings in which the company has a participating interest are unsecured, bear interest at a rate of 6.7% (2013: 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 2014

11	Creditors: amounts falling due within one year	2014 £'000	2013 £'000
	Amounts owed to group undertakings	20,644	47,116
	Corporation tax	284	-
	Accruals and deferred income	37	28
		<u>20,965</u>	<u>47,144</u>

Amounts owed to group undertakings are unsecured, bear interest at a rate of 0% to 0.83% (2013: 0% to 0.91%) per annum and have no fixed date of repayment

12	Creditors: amounts falling due after more than one year	2014 £'000	2013 £'000
	Amounts owed to group undertakings	<u>11</u>	<u>11</u>

Amounts owed to group undertakings are unsecured, bear no interest and have no fixed date of repayment. The balance is with an entity that is expected to become dormant in the following year and therefore this balance has been reclassified as long term as it is not expected to be repaid in the foreseeable future.

13	Called up share capital	2014 £'000	2013 £'000
	Authorised		
	500,001,000 (2013: 500,001,000) ordinary shares of £1 each	<u>500,001</u>	<u>500,001</u>
	Allotted and fully paid		
	418,047,757 (2013: 393,759,689) ordinary shares of £1 each	<u>418,048</u>	<u>393,760</u>

During the year the company issued 24,288,068 shares of £1 each at par.

14	Statement of movements on reserves	Share premium account £'000	Profit and loss account £'000
	Balance at 1 January 2014	7,267	27,686
	Loss for the financial year	-	(118,009)
	Balance at 31 December 2014	<u>7,267</u>	<u>(90,323)</u>

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

15 Reconciliation of movements in Shareholder's funds	2014 £'000	2013 £'000
Loss for the financial year	(118,009)	(20,665)
Dividends	-	(127,547)
	(118,009)	(148,212)
Proceeds from issue of shares	24,288	-
Net depletion in shareholders' funds	(93,721)	(148,212)
Opening Shareholder's funds	428,713	576,925
Closing Shareholder's funds	334,992	428,713

16 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 2014, the contingent liability was £10,686,108 (2013: £9,430,110).

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Administration	3	2
Directors	4	4
	7	6

Employment costs

	2014 £'000	2013 £'000
Wages and salaries	132	88
Social security costs	15	10
Other pension costs	8	466
	155	564

The company has three employees (2013: 2) apart from the directors noted on the Directors' Report. None of the directors (2013: 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 (2013: none).

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

18 Pension and other post-retirement benefit commitments

Harsco Investment Limited ("the Company") is the principal employer of the United Kingdom Harsco Pension Scheme ("the Scheme"). All participating employers taken together are referred to as the "Group". The Scheme comprises ten sections: seven defined benefit sections relating to Harsco Metals subsidiaries ("the Harsco Metals section of the Scheme"), two defined benefit sections relating to Harsco Infrastructure subsidiaries ("the Harsco Infrastructure section of the Scheme") and one combined defined contribution section.

The defined benefit sections were closed to new entrants in 1998 (the Harsco Metals section) and 2002 (the Harsco Infrastructure 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 Harsco Infrastructure 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.

On 26 November Harsco Infrastructure Services Limited left the scheme, its remaining obligations were assumed by the remaining sponsoring employers, and Harsco Corporation Incorporated, the ultimate parent entity, put in place a guarantee for all future liabilities of the Scheme up to a maximum of £200,000,000.

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 2013 for the United Kingdom scheme by Mercer, a qualified actuary. The valuation of the United Kingdom scheme, using the projected unit credit method, is disclosed in these financial statements.

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.

The details of the Harsco Pension Scheme are included in these financial statements to meet the obligations of FRS17 and represent the Group position regarding the scheme. The obligations disclosed are for the group as a whole to meet and not this entity alone.

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

18 Pension and other post-retirement benefit commitments

(Continued)

The major assumptions used by the actuary were:

	2014	2013
	%	%
Rate of increase in pensions in payment	3.00	3.30
Discount rate	3.60	4.60
Inflation - RPI assumption	5.00	3.30
Inflation - CPI assumption	2.20	2.50

	2014	2013
	Years	Years
Further life expectancy of male member aged 65 (current life expectancy)	21.80	21.70
Further life expectancy of female member aged 65 (current life expectancy)	24.70	24.50
Further life expectancy of male member aged 45 (life expectancy at age 65)	24.10	24.00
Further life expectancy of female member aged 45 (life expectancy at age 65)	27.00	26.90

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 £18,816,000 in 2015.

The long term expected rates of return are as follows:

	2014	2013
	%	%
Equities	5.39	6.60
Bonds	3.60	4.60
Gilts	2.39	3.60
Cash	0.50	0.50

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HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

18 Pension and other post-retirement benefit commitments

(Continued)

The values of the assets in the scheme are as follows:

	2014 £'000	2013 £'000
Equities	264,562	257,634
Bonds	154,814	129,995
Gilts	57,410	47,112
Cash	1,627	1,483
Total market value of assets	478,413	436,224
Present value of scheme liabilities	(629,643)	(539,786)
Net pension liability	(151,230)	(103,562)

Analysis of the pension expense:

	2014 £'000	2013 £'000
Interest cost	24,267	23,020
Expected return on plan assets	(23,245)	(18,919)
Total operating charge	1,022	4,101

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

	2014 £'000	2013 £'000
Opening present value of defined benefit obligation	539,786	547,435
Interest cost	24,267	23,020
Actuarial losses/(gains)	90,065	(6,508)
Benefits paid	(24,475)	(24,161)
Closing present value of defined benefit obligation	629,643	539,786

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

18 Pension and other post-retirement benefit commitments

(Continued)

Changes in fair value of plan assets are as follows:

	2014 £'000	2013 £'000
Opening fair value of plan assets	436,224	407,148
Expected return	23,245	18,919
Actuarial gains/(losses)	26,535	18,018
Contributions by employer	16,884	16,300
Benefits paid	(24,475)	(24,161)
Closing fair value of plan assets	478,413	436,224
Actual return on scheme assets	49,780	36,937

History of experience gains and losses:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(629,643)	(539,786)	(547,435)	(524,937)	(475,876)
Plan assets	478,413	436,224	407,148	384,492	383,822
Deficit	(151,230)	(103,562)	(140,287)	(140,445)	(92,054)
Difference between the expected and actual return on scheme assets:					
amount (£'000)	26,535	18,018	14,080	(17,259)	25,046
percentage of scheme assets (%)	6%	4%	3%	(4)%	7%
Experience gains and losses on scheme liabilities:					
amount (£'000)	(3,132)	(8,011)	6,360	(3,518)	(22,907)
percentage of scheme liabilities (%)	0%	(1)%	1%	(1)%	(5)%
Total amount not recognised in statement of recognised gains and losses	(63,530)	24,527	(8,789)	(61,997)	19,348
Cumulative amount not recognised in statement of recognised gains and losses	(261,046)	(197,516)	(222,043)	(213,254)	(151,257)

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

19 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 financial statements. 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.

20 Post balance sheet events

In July 2015 the company acquired Harsco (York Place) Limited from its parent, Harsco Holdings Incorporated in exchange for issuing £6,699,100 £1 ordinary shares and £419,627 of share premium. The company subsequently settled £7,118,727 of its debt with its subsidiary Harsco Infrastructure Group Limited by transferring its investment in Harsco (York Place) Limited to Harsco Infrastructure Group Limited at net book value.

A significant customer of a subsidiary of the Company ceased trading since the year end, which is expected to impact the future results of the subsidiary. The Directors believe the conditions leading to this event were not present at the balance sheet date, therefore no adjustments have been made to reflect the impact of the conditions in these financial statements.

21 Related party relationships and 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.

Harsco Infrastructure Ukraine LLC, a company registered in Ukraine, is a participating interest in which Harsco Corporation ultimately own a 29.03% interest. For the period in which Harsco Infrastructure Ukraine LLC was a participating interest, the company received £46,826 (2013: £4,007) from Harsco Infrastructure Ukraine LLC. At year end the Harsco Infrastructure Ukraine LLC owed the company £753,733 (2013: £713,374).