

HARSCO INVESTMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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HARSCO INVESTMENT LIMITED

COMPANY INFORMATION

Directors	J J Sweeney S Cooper W Mullen	(Appointed 20 April 2018)
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 2018

The directors present the strategic report and financial statements for the year ended 31 December 2018.

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.

The market in which certain of the company's subsidiaries operate has become more challenging over the last year and as a result there has been an decrease in the expected return that will be made by the company's subsidiaries represented by direct and indirect investments. Therefore the company's investments have been written down by £39,728,000 (2017: up by £33,426,000) 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.

The company is the principal sponsoring employer for the UK Harsco group pension schemes and as a result the pensions are accounted for in the company financial statements. The deficit on the defined benefit pension scheme decreased from £117,114,000 last year to £87,850,000 at 31 December 2018. In order to reduce the deficit a schedule of contributions has been put in place by the UK companies involved in the scheme which is reviewed by the actuaries every three years and which will endeavour to eliminate the deficit by 2025.

On 31 August 2018 the company issued £84,557,000 share capital to its parent company Harsco Holdings Inc., a company incorporated in the United States of America, in exchange for a £84,557,000 loan note. On the same day the company sold the intercompany loan note to its subsidiary Harsco Infrastructure Group Limited in exchange for an increased investment in Harsco Infrastructure Group Limited.

On 29 May 2018 Harsco Corporation announced its acquisition of the Altek group, Harsco Investment Limited acquired the Altek operations held outside the United States of America for £36,524,910.

The results for the year and the financial position at year end were considered satisfactory by the directors.

Principal risks and uncertainties

As an investment holding company the primary risk is the performance of the underlying 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 going concern position of the company is dependent upon the overall going concern status of the Harsco Group. Having considered the future operating profits, cash flows and facilities available to Harsco Investment Limited together with the letter of support received from Harsco Corporation, the directors are satisfied that the company will have sufficient funds to repay its liabilities as they fall due. A letter of support from Harsco Corporation, a company registered in the United States of America, has been received stating they will provide sufficient resources to enable the company to meet its liabilities as they fall due for a period of at least a year from the date of signing of the financial statements.

Analysis of development and performance

The company expects to continue to act as a holding company.

Key performance indicators

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

30 September 2019

HARSCO INVESTMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Director

..... 30 September 2019

HARSCO INVESTMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2018.

Principal activities

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.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G M Stubbs	(Resigned 30 March 2018)
J J Sweeney	
S Cooper	
W Mullen	(Appointed 20 April 2018)

Results and dividends

The results for the year are set out on pages 7 and 8. The company made a loss of £36,996,000 in the year compared with a profit of £39,513,000 profit in the prior year, predominantly due to movements in the impairment of investments.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

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 2.5% per annum (2017: 0% to 0.75% per annum). The bank overdraft is unsecured, repayable on demand and bears interest of 1% 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.

HARSCO INVESTMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Investments and pension

As an investment holding company, the primary risk is the performance of the underlying investments when determining whether the investments should 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.

Future developments

The company expects to continue to act as a holding company.

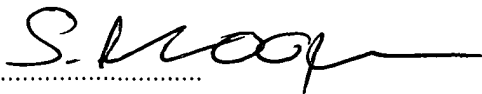
Independent Auditors

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.

Statement of disclosure to independent auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's independent auditors are unaware. Additionally, the directors individually 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 independent auditors are aware of that information.

On behalf of the board



.....
S Cooper

Director

Date: 30 September 2019

HARSCO INVESTMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors 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

Independent auditors' report to the members of Harsco Investment Limited

Report on the audit of the financial statements

Opinion

In our opinion, Harsco Investment Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

HARSCO INVESTMENT LIMITED

Independent auditors' report to the members of Harsco Investment Limited

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page ⁵~~4~~, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

HARSCO INVESTMENT LIMITED

Independent auditors' report to the members of Harsco Investment Limited

We have no exceptions to report arising from this responsibility.



Graham Lambert (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
30 September 2019

HARSCO INVESTMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£'000	£'000
Administrative expenses		(47,331)	30,961
Other operating income		13,088	12,635
		<hr/>	<hr/>
Operating (loss)/profit	3	(34,243)	43,596
Interest receivable and similar income	5	13	42
Interest payable and similar expenses	6	(2,793)	(4,249)
		<hr/>	<hr/>
(Loss)/profit before taxation		(37,023)	39,389
Tax on (loss)/profit	7	27	124
		<hr/>	<hr/>
(Loss)/profit for the financial year		(36,996)	39,513
		<hr/> <hr/>	<hr/> <hr/>

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

HARSCO INVESTMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £'000	2017 £'000
(Loss)/profit for the financial year	(36,996)	39,513
Other comprehensive income		
Actuarial gain on defined benefit pension schemes	25,700	39,419
Total comprehensive income for the financial year	<u>(11,296)</u>	<u>78,932</u>

HARSCO INVESTMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	8		396,210		314,855
Current assets					
Debtors	10	20,443		17,902	
Cash at bank and in hand		25		1,141	
		<u>20,468</u>		<u>19,043</u>	
Creditors: amounts falling due within one year	11	<u>(42,815)</u>		<u>(4,032)</u>	
Net current (liabilities)/assets			<u>(22,347)</u>		<u>15,011</u>
Total assets less current liabilities			373,863		329,866
Provisions for liabilities	12		<u>(87,850)</u>		<u>(117,114)</u>
Net assets			<u>286,013</u>		<u>212,752</u>
Capital and reserves					
Called up share capital	14		509,304		424,747
Share premium account			7,267		7,267
Profit and loss account			<u>(230,558)</u>		<u>(219,262)</u>
Total equity			<u>286,013</u>		<u>212,752</u>

The financial statements were approved by the board of directors and authorised for issue on 30 September 2019 and are signed on its behalf by:



S Cooper
Director

Company Registration No. 03985379

HARSCO INVESTMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2017		424,747	7,267	(298,194)	133,820
Year ended 31 December 2017:					
Profit for the year		-	-	39,513	39,513
Other comprehensive income:					
Actuarial gains on defined benefit plans		-	-	39,419	39,419
Total comprehensive income for the year		-	-	78,932	78,932
Balance at 31 December 2017		424,747	7,267	(219,262)	212,752
Year ended 31 December 2018:					
Loss for the year		-	-	(36,996)	(36,996)
Other comprehensive income:					
Actuarial gains on defined benefit plans		-	-	25,700	25,700
Total comprehensive income for the year		-	-	(11,296)	(11,296)
Issue of share capital	14	84,557	-	-	84,557
Balance at 31 December 2018		509,304	7,267	(230,558)	286,013

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Harsco Investment Limited is a private company limited by shares incorporated in England and Wales. The registered office is Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey, KT22 7SG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

Harsco Investment Limited is a wholly owned subsidiary of Harsco Corporation and the results of Harsco Investment Limited are included in the consolidated financial statements of Harsco Corporation which are available from Harsco Corporation, 350 Poplar Church Road, Camp Hill, Pennsylvania 17001, USA.

1.2 Going concern

The going concern position of the company is dependent upon the overall going concern status of the Harsco Group. Having considered the future operating profits, cash flows and facilities available to Harsco Investment Limited together with the letter of support received from Harsco Corporation, the directors are satisfied that the company will have sufficient funds to repay its liabilities as they fall due. A letter of support from Harsco Corporation, a company registered in the United States of America, has been received stating they will provide sufficient resources to enable the company to meet its liabilities as they fall due for a period of at least a year from the date of signing of the financial statements.

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

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.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

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 Section 28 of FRS 102 "Employee Benefits" in these financial statements.

In accordance with the provisions of Section 28 of FRS 102 "Employee Benefits", the company is required to provide disclosure of the full actuarial valuation and the deficit and the related pension costs are recognised in these financial statements as the company is the principal employer of the UK Harsco pension scheme.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

The fair value of investments acquired by issuing shares is calculated as the higher of the expected future cash flows or the net asset value of the investment at the time of acquisition.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There are no key judgments that have significant effect on amounts recognised in the financial statements.

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment valuation

Determining whether the company's investment in subsidiaries is impaired requires an estimation of the value in use of the cash generating units. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. This will only resolve upon sale or closure of the subsidiary.

Pension liabilities and assets

In arriving at the liabilities and assets of the pension scheme the company's actuaries make estimates of the expected future cash flows generated by the contributions made to the scheme, payments out of the scheme, life expectancy of the scheme's members, discount rate and expected gains and loss from the investments made by the pension scheme. Since the pension scheme is closed to new entrants, resolution of the estimation uncertainty will occur when the scheme has no members.

3 Operating (loss)/profit

	2018 £'000	2017 £'000
Operating (loss)/profit for the year is stated after charging:		
Exchange losses	30	27
Fees payable to the company's independent auditors for the audit of the company's financial statements	40	40
	<u> </u>	<u> </u>

Other operating income of £13,088,000 (2017: £12,635,000) represents the contributions made by fellow UK Harsco group subsidiaries towards the defined benefit pension scheme.

The market in which certain of the company's subsidiaries operate has become more challenging over the last year and as a result there has been an decrease in the expected return that will be made by the company's subsidiaries represented by direct and indirect investments. Therefore the company's investments have been written down by £39,728,000 (2017: up by £33,426,000) 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.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Administration	3	3
Directors	3	3
	<u> </u>	<u> </u>
	6	6
	<u> </u>	<u> </u>

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £'000	2017 £'000
Wages and salaries	179	177
Social security costs	22	21
Pension costs	4,509	9
	<u>4,710</u>	<u>207</u>

None of the directors (2017: 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 (2017: none). The directors were remunerated by Harsco Metals Group Limited.

5 Interest receivable and similar income

	2018 £'000	2017 £'000
Interest income		
Interest on bank deposits	6	42
Interest receivable from group undertakings	7	-
	<u>13</u>	<u>42</u>

6 Interest payable and similar expenses

	2018 £'000	2017 £'000
Interest payable to group undertakings	61	69
Interest on the net defined benefit liability	2,732	4,180
	<u>2,793</u>	<u>4,249</u>

7 Tax on (loss)/profit

	2018 £'000	2017 £'000
Current tax		
UK corporation tax on profits for the current year	(78)	(124)
Adjustments in respect of prior periods	51	-
	<u>(27)</u>	<u>(124)</u>

The corporation tax rate in the UK reduced to 19% from 20% on 1 April 2017. The applicable tax rate has therefore reduced from 19.25% to 19%.

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

(Continued)

The actual credit for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £'000	2017 £'000
(Loss)/profit before taxation	(37,023)	39,389
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(7,034)	7,582
Tax effect of expenses that are not deductible in determining taxable profit	1,895	1,160
Tax effect of income not taxable in determining taxable profit	(2,487)	(2,432)
Adjustments in respect of prior years	51	-
Amounts written off/back to investments	7,548	(6,434)
Tax credit for the year	(27)	(124)

The tax effect of expenses that are not deductible for the purpose of determining taxable profit relate to administrative costs and interest expenses in relation to the pension scheme. The tax effect of income that is not taxable in determining taxable profit relate to contributions and interest income in relation to the pension scheme.

8 Fixed asset investments

	Notes	2018 £'000	2017 £'000
Investments in subsidiaries	9	396,210	314,855

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2018	591,137
Additions	121,083
	<hr/>
At 31 December 2018	712,220
	<hr/>
Impairment	
At 1 January 2018	276,282
Impairment losses	39,728
	<hr/>
At 31 December 2018	316,010
	<hr/>
Carrying amount	
At 31 December 2018	396,210
	<hr/>
At 31 December 2017	314,855
	<hr/>

On 31 August 2018 the company issued £84,557,000 share capital to its parent company Harsco Holdings Inc., a company incorporated in the United States of America, in exchange for a £84,557,000 loan note. On the same day the company sold the intercompany loan note to its subsidiary Harsco Infrastructure Group Limited in exchange for an increased investment in Harsco Infrastructure Group Limited.

On 29 May 2018 Harsco Corporation announced its acquisition of the Altek group, Harsco Investment Limited acquired the Altek operations held outside the United States of America for £36,524,910.

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
AluServ Middle East W.L.L.	Road 5138, Building 1430, Block 951, Askar, Kingdom of Bahrain	Metals production support services	Ordinary	0.00	26.98
Ballagio S.A.R.L.	100 rue de Volmerange, L-3593, Dudelange, Grand Duchy of Luxembourg	Holding company	Ordinary	0.00	39.43

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries (Continued)

Cuplok Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00
Cuplok Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Preference	0.00	100.00
Czech Slag Nova Hut SRO	Frydecka 462, 71900 Ostrava, Kuncice, Czech Republic	Metals production support services	Ordinary	0.00	26.98
Excell Africa Holdings Limited S.A.R.L.	100 Route de Volmerange, L-3593 Dudelange, Luxembourg	Dormant	Ordinary	0.00	41.51
Excell Americas Holdings Limited S.A.R.L.	100 Route de Volmerange, L-3593 Dudelange, Luxembourg	Holding company	Ordinary	0.00	41.51
Faber Prest Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00
Fourninezero Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00
Fourninezero Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Special	0.00	100.00
GasServ (Netherland) VII B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Financing	Ordinary	0.00	41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9	Subsidiaries	(Continued)
Harsco (Australia) Pty. Limited	Baker & McKenzie, Level 27 AMP Centre, 50 Bridge Street, Sydney NSW 2000, Australia	Holding company
		Ordinary
		0.00
		41.51
Harsco (Mexico) Holdings B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company
		Ordinary
		0.00
		41.51
Harsco (Peru) Holdings B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company
		Ordinary
		0.00
		41.51
Harsco (Tangshan) Metallurgical Minerals Technology Co. Limited	Tangshan City, Hebei Province, Peoples Republic of China	Metals production support services
		Ordinary
		0.00
		26.98
Harsco (Tangshan) Renewables Resources Development Co Ltd	Southeast Side of Xin Li Village, Gang Chang Road, Lubei District, Tangshan, Hebei Province, China	Metals production support services
		Ordinary
		0.00
		21.17
Harsco (UK) Group Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Holding company
		Ordinary
		0.00
		100.00
Harsco (UK) Holdings Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant
		Ordinary
		0.00
		100.00
Harsco (UK) Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Financing
		Ordinary
		0.00
		41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9	Subsidiaries		(Continued)			
	Harsco (UK) Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Financing	Preference	0.00	41.51
	Harsco (York Place) Limited	5th Floor Quartermile Two, 2 Lister Square, Edinburgh ED3 9GL, Scotland	Holding company	Ordinary	0.00	100.00
	Harsco Americas Investments S.A.R.L.	100 Route de Volmerange, L-3593 Dudelange, Luxembourg	Holding company	Ordinary	0.00	41.51
	Harsco Apac Rail Machinery Trading (Beijing) Co. Limited	508-114, Xitian Government Official Building, No. 8 Xitong Road, Miyun, Beijing 508-114, China	Railtrack maintenance	Ordinary	0.00	41.51
	Harsco Asia China Investment B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Financing	Ordinary	0.00	41.51
	Harsco Asia Investment B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company	Ordinary	0.00	41.51
	Harsco Asia Pacific Investment B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company	Ordinary	0.00	41.51
	Harsco Belgium Sprl	14 rue des Ateliers, 6200 Chatelet, Belgium	Metals production support services	Ordinary	0.00	41.51
	Harsco Brazil Investments Sprl	14 rue des Ateliers, 6200 Chatelet, Belgium	Holding company	Ordinary	0.00	41.51
	Harsco Canada Corporation	1200 rte des Acieries, Contrecoeur (Quebec), J0L1C0, Canada	Metals production support services	Ordinary	0.00	41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries		(Continued)			
Harsco Canada General Partner Limited	Brookfield Place, Holding company 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3, Canada	Ordinary	0.00	41.51	
Harsco Canada Limited Partnership	Brookfield Place, Holding company 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3, Canada	Ordinary	0.00	41.51	
Harsco Chile Investments Sprl	14 rue des Ateliers, 6200 Chatelet, Belgium	Holding company Ordinary	0.00	41.51	
Harsco China Holding Company Limited	31st Floor, Edinburgh Tower, The Landmark, 15 Queens Road Central, Hong Kong	Holding company Ordinary	0.00	41.51	
Harsco do Brasil Participacoes e Servicos Siderurgicos Ltda	Avenida Marechal Camara 160, 20020-080 Rio de Janeiro, Brazil	Holding company Ordinary	0.00	41.51	
Harsco Europa B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company Ordinary	0.00	41.51	
Harsco Fairerways Partnership	5th Floor Quartermile Two, 2 Lister Square, Edinburgh ED3 9GL, Scotland	Financing	0.00	1.00	
Harsco Fairestways Partnership	5th Floor Quartermile Two, 2 Lister Square, Edinburgh ED3 9GL, Scotland	Financing	0.00	1.00	
Harsco Fairways Partnership	5th Floor Quartermile Two, 2 Lister Square, Edinburgh ED3 9GL, Scotland	Financing	0.00	100.00	
Harsco France SAS	1 rue Charles Fourier, 59760 Grande Synthe, France	Holding company Ordinary	0.00	41.51	

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries		(Continued)			
Harsco Higherlands Partnership	5th Floor Quartermile Two, 2 Lister Square, Edinburgh ED3 9GL, Scotland	Financing		0.00	1.99
Harsco Highestlands Partnership	5th Floor Quartermile Two, 2 Lister Square, Edinburgh ED3 9GL, Scotland	Financing		0.00	1.99
Harsco India Metals Private Limited	8-2-684/40 Anand Banjara Colony, Road #12, Banjara Hills, Hyderabad 500034, India	Metals production support services	Ordinary	0.00	38.09
Harsco India Private Limited	8-2-684/40 Anand Banjara Colony, Road #12, Banjara Hills, Hyderabad 500034, India	Metals production support services	Ordinary	0.00	38.10
Harsco India Services Private Limited	Building 3, 2nd Floor, iLabs Centre, Unit No 18, Software Untis Layout, Madhapur, Hyderabad 500081,	Administration company	Ordinary	0.00	41.51
Harsco Industrial Air-X Changers Pty. Limited	Lot 63, Shed 6, 61-69 Croft Crescent, Toowoomba, Queensland 4350, Australia	Dormant	Ordinary	0.00	41.51
Harsco Industrial Grating China Holding Company Limited	31st Floor, Edinburgh Tower, The Landmark, 15 Queens Road Central, Hong Kong	Holding company	Ordinary	0.00	41.51
Harsco Industrial Grating China Holding Company Limited	31st Floor, Edinburgh Tower, The Landmark, 15 Queens Road Central, Hong Kong	Holding company	Preference	0.00	41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries	(Continued)		
Harsco Industrial IKG de Mexico S.A. de C.V.	Prolongación Corregidora Norte # 487, Parques Industriales CP 76160, Querétaro, Qro, México	Industrial equipment manufacture	Ordinary 0.00 41.51
Harsco Infrastructure B.V.	Breedbandweg 1, 1951MC Velsen-Noord, The Netherlands	Dormant	Ordinary 0.00 41.51
Harsco Infrastructure Construction Services B.V.	Breedbandweg 1, 1951MC Velsen-Noord, The Netherlands	Dormant	Ordinary 0.00 41.51
Harsco Infrastructure Cz SRO	Frydecka 462, 71900 Ostrava, Kuncice, Czech Republic	Dormant	Ordinary 0.00 41.52
Harsco Infrastructure Group Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Holding company	Ordinary 100.00 100.00
Harsco Infrastructure Holdings Inc	The Corporation Financing Trust Co., 1209 Orange Street, Wilmington, DE 19801, USA		Ordinary 0.00 100.00
Harsco Infrastructure Hong Kong Limited	Suite 2603, Tung Wai Commercial Building, 109-111 Gloucester Road, wan Chai, Hong Kong	Dormant	Ordinary 0.00 100.00
Harsco Infrastructure Industrial Services B.V.	Breedbandweg 1, 1951MC Velsen-Noord, The Netherlands	Dormant	Ordinary 0.00 41.51
Harsco Infrastructure Norge A.S.	Svennerudveien 34, i Sørums Kommune, Norway	Dormant	Ordinary 0.00 41.51
Harsco Infrastructure Services Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Property investment	Ordinary 0.00 100.00

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9	Subsidiaries			(Continued)		
	Harsco Infrastructure Slovensko SRO	Vstupny areal U.S. Steel, 04454 Kosice, The Slovak Republic	Dormant	Ordinary	0.00	41.52
	Harsco Infrastructure South Africa (Pty.) Limited	65 Silver Oak Street, Atlas Gardens, Contermanskloof Road, Durbanville 7550, South Africa	Dormant	Ordinary	0.00	41.51
	Harsco Infrastructure Sverige A.B.	Visma Services AB, Box 34212, 100 26 Stockholm, Sweden	Dormant	Ordinary	0.00	41.51
	Harsco International Finance S.A.R.L.	100 Route de Volmerange, L-3593 Dudelange, Luxembourg	Financing	Ordinary	0.00	41.51
	Harsco Investments Europe B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company	Ordinary	0.00	41.51
	Harsco Leatherhead Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Holding company	Ordinary	0.00	41.51
	Harsco Luxembourg S.A.R.L.	100 Route de Volmerange, L-3593 Dudelange, Luxembourg	Holding company	Ordinary	0.00	41.51
	Harsco Metals (Ningbo) Pty. Limited	Puti road No. 8, Beilum Xiapu Industry Park, Ningbo City, Zhejiang Province, China	Metals production support services	Ordinary	0.00	29.06
	Harsco Metals (Thailand) Company Limited	55 Moo 5, Tambol Nong La-Lok, Amphur Ban Khai, Rayong 21120, Thailand	Metals production support services	Ordinary	0.00	41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries (Continued)

Harsco Metals 373 Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00
Harsco Metals 373 Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Preference	0.00	100.00
Harsco Metals 373 Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Redeemable Preference	0.00	100.00
Harsco Metals 385 Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Financing	Ordinary	0.00	41.52
Harsco Metals and Minerals France SAS	1 rue Charles Fourier, 59760 Grande Synthe, France	Metals production support services	Ordinary	0.00	41.51
Harsco Metals Argentina S.A.	Suipacha 268, Piso 12 - Ciudad Autonoma de Buenos Aires, Argentina	Metals production support services	Ordinary	0.00	41.51
Harsco Metals Australia Holding Investment Company Pty Limited	Level 3, 308-310 Crown Street, Wollongong, NSW 2500, Australia	Holding company	Ordinary	0.00	41.51
Harsco Metals Australia Pty Limited	Level 3, 308-310 Crown Street, Wollongong, NSW 2500, Australia	Metals production support services	Ordinary	0.00	41.51
Harsco Metals Belgium S.A.	14 rue des Ateliers, 6200 Chatelet, Belgium	Dormant	Ordinary	0.00	41.51
Harsco Metals Chile S.A.	Barros Arana 162 office 63 Concepcion, Chile	Metals production support services	Ordinary	0.00	41.52

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries (Continued)

Harsco Metals CTS Pretacao de Servicos Tecnicos e Alguer de Equipamentos LDA Unipessoal	Largo do Souto no. 42C, 4425-538 S. Pedro de Fins, Portugal	Metals production support services	Ordinary	0.00	41.51
Harsco Metals Cz SRO	Frydecka 462, 71900 Ostrava, Kuncice, Czech Republic	Metals production support services	Ordinary	0.00	42.09
Harsco Metals D.o.o. Smederevo	Radinac, PO Box 69, 11300 Smederevo, Serbia	Metals production support services	Ordinary	0.00	41.51
Harsco Metals de Mexico S.A. de C.V.	Avenida Morelos 177 Poniente, Centro, Monterrey, Nuevo Leon, C.P. 64000, Mexico	Metals production support services	Ordinary	0.00	41.51
Harsco Metals Egypt LLC	5 Ismail Mohamed St, Zamalek, Egypt	Metals production support services	Ordinary	0.00	41.51
Harsco Metals Emirates Maatschap	GDS/Labtech Building, University Road, Industrial Area - 17, Shariah, UAE	Dormant	Ordinary	0.00	26.98
Harsco Metals Gesmefesa S.A.	Las Mercedes, 25 - 4 48930 Las Arenas (Getxo, Bizkaia), Spain	Dormant	Ordinary	0.00	41.51
Harsco Metals Group Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Metals production support services	Ordinary	0.00	100.00
Harsco Metals Guatemala S.A.	Kilometro 38, Residenciales Las Victorias Casa No 4, Sector 21, Palin, Escuintla, Guatemala	Metals production support services	Ordinary	0.00	41.51
Harsco Metals Holding LLC	The Corporation Trust Co., 1209 Orange Street, Wilmington, DE 19801, USA	Holding company	Ordinary	0.00	41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries	(Continued)
Harsco Metals Holdings Limited	<div> <div>Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG</div> <div>Metals production support services</div> <div>Ordinary</div> <div>0.00</div> <div>100.00</div> </div>
Harsco Metals Holland B.V.	<div> <div>Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands</div> <div>Metals production support services</div> <div>Ordinary</div> <div>0.00</div> <div>41.51</div> </div>
Harsco Metals Ilanga Pty Limited	<div> <div>PO box 795, Strubensvalley, Roodeport, 1735, South Africa</div> <div>Metals production support services</div> <div>Ordinary</div> <div>0.00</div> <div>30.72</div> </div>
Harsco Metals Intermetal LLC	<div> <div>The Corporation Trust Co., 1209 Orange Street, Wilmington, DE 19801, USA</div> <div>Financing</div> <div>Ordinary</div> <div>0.00</div> <div>41.51</div> </div>
Harsco Metals Investment LLC	<div> <div>The Corporation Trust Co., 1209 Orange Street, Wilmington, DE 19801, USA</div> <div>Holding company</div> <div>Ordinary</div> <div>0.00</div> <div>41.51</div> </div>
Harsco Metals Italia S.r.l.	<div> <div>Viale Benedetto Brin 96 - 05100 Terni (TR), Italy</div> <div>Metals production support services</div> <div>Ordinary</div> <div>0.00</div> <div>41.51</div> </div>
Harsco Metals Kemaman Sdn. Bhd.	<div> <div>Luther Corporation Services Sdn Bhd, Unit C-12-4, Level 12, Block C, Megan Avenue 11, 12 Jalan Yap K</div> <div>Dormant</div> <div>Ordinary</div> <div>0.00</div> <div>41.51</div> </div>
Harsco Metals Limited	<div> <div>Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG</div> <div>Dormant</div> <div>Ordinary</div> <div>0.00</div> <div>100.00</div> </div>
Harsco Metals Ltda	<div> <div>Av Marechal Camara , n 160, 10 Andar Salas 1033 a 1035 Parte, Centro, Rio de Janeiro cep 20.020-080,</div> <div>Metals production support services</div> <div>Ordinary</div> <div>0.00</div> <div>41.51</div> </div>

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries		(Continued)				
Harsco Metals Luxembourg S.A.	BP24, L-4503 Differdange, Luxembourg	Metals production support services	Ordinary	0.00	41.51	
Harsco Metals Luxequip S.A.	100, Rue de Volmerange, L-3593 Dudelange, Luxembourg	Metals production support services	Ordinary	0.00	41.51	
Harsco Metals Lycrete SAU	Las Mercedes, 25 - 4 48930 Las Arenas (Getxo, Bizkaia), Spain	Metals production support services	Ordinary	0.00	41.51	
Harsco Metals Middle East FZE (formerly known as Hünnebeck Middle East FZE)	Office 201, Building 5EA, PO Box 54495, Dubai Airport Freezone, Dubai, UAE	Administration company	Ordinary	0.00	41.51	
Harsco Metals Nord Italia S.r.l.	196 - 05100 Terni (TR) Viale Benedetto Brin 196, Italy	Metals production support services	Ordinary	0.00	41.51	
Harsco Metals Norway A.S.	Tungtransportveien, 8626 Mo I Rana, Norway	Metals production support services	Ordinary	0.00	41.51	
Harsco Metals Oostelijk Staal International B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Dormant	Ordinary	0.00	41.51	
Harsco Metals Operations LLC	The Corporation Financing Trust Co., 1209 Orange Street, Wilmington, DE 19801, USA		Ordinary	0.00	41.51	
Harsco Metals Peru S.A.	Miguel Aljovín 530 Urbanización Santa Rita, Santiago de Surco, Lima, Peru	Metals production support services	Ordinary	0.00	41.47	
Harsco Metals Polska Z.o.o.	Pilsudskiego 82 street 42-400 Zawierciu, Poland	Metals production support services	Ordinary	0.00	41.51	
Harsco Metals Reclamet S.A.	Las Mercedes, 25 - 4 48930 Las Arenas (Getxo, Bizkaia), Spain	Metals production support services	Ordinary	0.00	41.51	

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries

(Continued)

Harsco Metals RSA (Proprietary) Limited	Clearwater Office Park, Building 2, First Floor, Millenium St, Roodepoort 1729, South Africa	Dormant	Ordinary	0.00	41.51
Harsco Metals Slovensko SRO	Vstupny areal U.S. Steel, 04454 Kosice, The Slovak Republic	Metals production support services	Ordinary	0.00	41.51
Harsco Metals South Africa (Pty.) Limited	Clearwater Office Park, Building 2, First Floor, Millenium St, Roodepoort 1729, South Africa	Holding company	Ordinary	0.00	41.51
Harsco Metals SRH Mill Services (Proprietary) Limited	Clearwater Office Park, Building 2, First Floor, Millenium St, Roodepoort 1729, South Africa	Dormant	Ordinary	0.00	41.51
Harsco Metals Sri LLC	The Corporation Trust Co., 1209 Orange Street, Wilmington, DE 19801, USA	Holding company	Ordinary	0.00	41.51
Harsco Metals SteelServ (Pty.) Limited	Clearwater Office Park, Building 2, First Floor, Millenium St, Roodepoort 1729, South Africa	Dormant	Ordinary	0.00	41.51
Harsco Metals Sweden A.B.	Svarvargatan 22B, SE 738 33 Norberg, Sweden	Metals production support services	Ordinary	0.00	41.51
Harsco Metals Transport B.V.	Wenckebachstra at 1, 1951JZ Velsen-Noord, The Netherlands	Holding company	Ordinary	0.00	41.51
Harsco Metals Turkey Celik Limited Sirketi	Mimar Sinan Caddesi No:5 Daire:17 Çekmeköy Istanbul, Turkey	Holding company	Ordinary	0.00	41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9	Subsidiaries	(Continued)
Harsco Metals VB LLC	The Corporation Financing Trust Co., 1209 Orange Street, Wilmington, DE 19801, USA	Ordinary 0.00 41.51
Harsco Metals Zhejiang Co. Limited	Liuwen Village, Banshan Town, Hangzhou City, Zhejiang Province, China	Ordinary 0.00 29.06
Harsco Minerais Ltda	Rod BR-381, s/n, km: 195; Bairro Nucleo Industrial, Timoteo cep 35.180-001, Brazil	Ordinary 0.00 41.51
Harsco Minerali D.O.O.	Koroska Bela, Cesta Borisa Kidrica 44, Jesenice, Slovenia	Ordinary 0.00 41.51
Harsco Minerals Austria GmbH	8662 Mitterdorf im Murztal, Grazer StraBe 1, Austria	Ordinary 0.00 41.51
Harsco Minerals Deutschland GmbH	52134 Herzogenrath, Eurode-Park 1, Germany	Ordinary 0.00 41.51
Harsco Minerals Europe B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Ordinary 0.00 41.51
Harsco Mole Valley Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Ordinary 0.00 41.51
Harsco Nederland Slag B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Ordinary 0.00 41.51
Harsco Nova Scotia Holding Corporation	Suite 900, Upper Water Street 1959, Halifax, Nova Scotia B3J 3N2, Canada	Ordinary 0.00 41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries (Continued)

Harsco Rail Emirates Maatschap Societe de Droit Commun	PO Box 46400, Level 4, Al Muroor Road, Al Mamoura Building B, Abu Dhabi, UAE	Dormant	Ordinary	0.00	41.51
Harsco Rail Europe GmbH	Rehhecke 80, D-40885 Ratingen, Germany	Railtrack maintenance	Ordinary	0.00	41.51
Harsco Rail Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Railtrack maintenance	Ordinary	0.00	39.43
Harsco Rail Ltda	Avenida Marechal Camara 160, 20020-080 Rio de Janeiro, Brazil	Railtrack maintenance	Ordinary	0.00	41.47
Harsco Rail Malaysia Sdn. Bhd.	Level 21, Suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Railtrack maintenance	Ordinary	0.00	39.43
Harsco Rail Pty. Limited	4 Strathwyn Street, Brendale, Queensland 4500, Australia	Railtrack maintenance	Ordinary	0.00	41.51
Harsco Rail Switzerland GmbH	Grabenstrasse 15, 8200 Schaffhausen, Switzerland	Railtrack maintenance	Ordinary	0.00	39.43
Harsco Surrey Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00
Harsco Switzerland Finance GmbH	Grabenstrasse 15, 8200 Schaffhausen, Switzerland	Financing	Ordinary	0.00	39.43
Harsco Switzerland Holdings GmbH	Grabenstrasse 15, 8200 Schaffhausen, Switzerland	Holding company	Ordinary	0.00	39.43

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries (Continued)

Harsco Technology China Co. Ltd	Kanghau Plaza 6F, No.100 Gongkang Road, Hangzhou City, Zhejiang Province, China	Metals production support services	Ordinary	0.00	41.51
Harsco Track Machines and Services Private Limited	Bengal Intelligent Park, 2nd Floor, Building Alpha Block - EP & GP, Sector V, Bidhan Nagar, North 24	Railtrack maintenance	Ordinary	0.00	41.51
Harsco Track Technologies Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00
Heckett Bahna Co. for Industrial Operations SAE	Floor 2, Al-Kawsar Building, Mohamed Hosny Moubarak St, Abu Yussif, Alexandria, Egypt	Dormant	Ordinary	0.00	27.06
Heckett Comercio de Rejeitos Industriais Importacao e Exportacao Ltda	Av Parque Oeste, N 1400, Patio Sid Cearense, Distrito Industrial, Maracanau Cep 61.939-120, Brazil	Dormant	Ordinary	0.00	41.51
Heckett Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00
Heckett MultiServ (FS) (Pty) Limited	Clearwater Office Park, Building 2, First Floor, Millenium St, Roodepoort 1729, South Africa	Dormant	Ordinary	0.00	41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9	Subsidiaries	(Continued)
Heckett MultiServ Bahna SAE	Floor 2, Al-Kawsar Building, Mohamed Hosny Moubarak St, Abu Yussif, Alexandria, Egypt	Dormant Ordinary 0.00 26.98
Heckett MultiServ China B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company Ordinary 0.00 41.51
Heckett MultiServ MV&MS CA	Av. San Juan Bosco Urb. Altamira Centro Altamira, Piso 8 O, Caracas, Venezuela	Dormant Ordinary 0.00 41.51
Heckett MultiServ Saudi Arabia Co. Ltd.	Al-Jubail, 25 Dhu Al-Hijjah 1414, Saudi Arabia	Metals production support services Ordinary 0.00 22.83
IIServ S.r.l.	218 - 05100 (TR) Viale Benedetto Brin, Italy	Metals production support services Ordinary 0.00 26.98
Irving S.A.de C.V.	Norte 35 Num 908, Industrial Vallejo CP 02300, Ciudad de México	Holding company Ordinary 0.00 41.51
Jia Ye Feng Shuo Fertiliser (Beijing) Co., Ltd.	Room 501-1354, No. 8 Xingsheng Sth Road, Economic Development Zone, Beijing, China	Metals production support services Ordinary 0.00 41.51
Jiangsu Harsco Industrial Grating Company Limited	3 Zhen Yang Road, Qingyang Town Industrial Park District, Jiangyin City, China	Industrial equipment manufacture Ordinary 0.00 41.51
Jiangsu Harsco Industrial Grating Company Limited	3 Zhen Yang Road, Qingyang Town Industrial Park District, Jiangyin City, China	Industrial equipment manufacture Preference 0.00 41.51

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries		(Continued)				
Mastclimbers Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00	
Minerval Metallurgical Additives B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Metals production support services	Ordinary	0.00	41.51	
Montanus Industriforvaltning A.B.	Svarvargatan 22B, SE 738 33 Norberg, Sweden	Holding company	Ordinary	0.00	41.51	
MultiServ (Sweden) A.B.	Svarvargatan 22B, SE 738 33 Norberg, Sweden	Holding company	Ordinary	0.00	41.51	
MultiServ Finance B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company	Ordinary	0.00	41.51	
MultiServ International B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company	Ordinary	0.00	41.51	
MultiServ Investment Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00	
MultiServ Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00	
MultiServ Logistics Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00	
MultiServ Nordiska A.B.	Svarvargatan 22B, SE-738 33, Norberg, Sweden	Holding company	Ordinary	0.00	41.51	

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries		(Continued)				
MultiServ OY	Refelco OY, Virkamaankatu 11, 954 20 Tornio, Finland	Dormant	Ordinary	0.00	41.51	
MultiServ Technologies South Africa (Pty) Limited	Delfos Boulevard, South Gate Entrance, c/o Arcelor Mittal, Vanderbijlpark 1900 South Africa	Dormant	Ordinary	0.00	100.00	
Parker Scaffolding Co. Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Founder	0.00	100.00	
Parker Scaffolding Co. Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00	
Parker Scaffolding Co. Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Preference	0.00	96.00	
Scaffolding (Great Britain) Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00	
SGB Holdings Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Holding company	Ordinary	0.00	100.00	
SGB Holdings Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Holding company	Preference	0.00	100.00	

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries						(Continued)
SGB Investments Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00	
SGB Scafform Limited	Commercial House, Millbank Business Park, Lucan, Co. Dublin, Ireland	Dormant	Ordinary	0.00	41.51	
Shanxi Tisco-Harsco Technology Co. Limited	118 Datong Road, Taiyuan, Shanxi Province, China	Metals production support services	Ordinary	0.00	24.91	
Short Bros. (Plant) Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Ordinary	0.00	100.00	
Slag Processing Company Egypt (Slar) SAE	1 Wadi El Nile, St Mohandessin, Egypt	Dormant	Ordinary	0.00	24.91	
Slag Reductie Nederland B.V.	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Holding company	Ordinary	0.00	100.00	
Slag Reductie Pacific B.V.	Zuidplein 126, WTC, Toren H, 15th fl, 1077XV Amsterdam, The Netherlands	Holding company	Ordinary	100.00	100.00	
SteelServ Limited	NZ Steel Siet, 131 Mission Bush Road, Glenbrook, Auckland, New Zealand	Metals production support services	Ordinary	0.00	50.00	
The Slag Reduction Company Limited	Harsco House, Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Dormant	Deferred	0.00	100.00	

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9	Subsidiaries	(Continued)
The Slag Reduction Company Limited	Harsco House, Dormant Regent Park, 299 Kingston Road, Leatherhead, Surrey KT22 7SG	Ordinary 0.00 100.00
Tosyali Harsco Geri Kazanim Teknolojileri Anonim Sirketi	Buyuk Tuysuz Mah. Ali Ilbeyli Metals production support services Cad. No. 18, Toprakkale, Osmaniye, Turkey	Ordinary 0.00 20.76
Altek Europe Holdings Limited	Lakeside House, Holding company Burley Close, Turmoaks Business Park, Chesterfield, Derbyshire S40 2UB	Ordinary A 100.00 100.00
Altek Europe Holdings Limited	Lakeside House, Holding company Burley Close, Turmoaks Business Park, Chesterfield, Derbyshire S40 2UB	Ordinary B 100.00 100.00
Altek Europe Limited	Lakeside House, Metals production support services Burley Close, Turmoaks Business Park, Chesterfield, Derbyshire S40 2UB	Ordinary 0.00 100.00
HLWKH 517 Limited	Lakeside House, Holding company Burley Close, Turmoaks Business Park, Chesterfield, Derbyshire S40 2UB	Ordinary 0.00 100.00
Inductelec Limited	Lakeside House, Metals production support services Burley Close, Turmoaks Business Park, Chesterfield, Derbyshire S40 2UB	Ordinary 0.00 100.00
Nortal Limited	Lakeside House, Dormant Burley Close, Turmoaks Business Park, Chesterfield, Derbyshire S40 2UB	Ordinary 0.00 100.00

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Subsidiaries (Continued)

Alusalt Limited	Lakeside House, Dormant Burley Close, Turmoaks Business Park, Chesterfield, Derbyshire S40 2UB	Ordinary	0.00	100.00
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10 Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Corporation tax recoverable	78	125
Amounts owed by group undertakings	19,855	17,777
Other debtors	510	-
	<u>20,443</u>	<u>17,902</u>

Amounts owed by group undertakings are unsecured, bear interest at 0% per annum (2017: 0% per annum) and are repayable on demand.

11 Creditors: amounts falling due within one year

	Notes	2018 £'000	2017 £'000
Bank loans and overdrafts		16	-
Amounts owed to group undertakings		42,709	3,848
Accruals and deferred income		90	184
		<u>42,815</u>	<u>4,032</u>

Amounts owed to group undertakings are unsecured, bear interest at a rate of 0% to 2.5% per annum (2017: 0% to 2.5% per annum) and are repayable on demand.

12 Provisions for liabilities

	Notes	2018 £'000	2017 £'000
Retirement benefit obligations	13	<u>87,850</u>	<u>117,114</u>

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

13 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	9	9

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Defined benefit schemes

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 2013 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 £225,000,000.

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 2016 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.

Key assumptions	2018	2017
	%	%
Discount rate	2.8	2.5
Expected rate of increase of pensions in payment	3.2	3.1
Price inflation rate (CPI)	2.2	2.1

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

13 Retirement benefit schemes

(Continued)

<i>Mortality assumptions</i>	2018	2017
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	22.4	22.8
- Females	24.4	25.4
Retiring in 20 years		
- Males	23.9	25.1
- Females	26.1	27.7
<i>Amounts recognised in the profit and loss account</i>	2018 £'000	2017 £'000
Net interest on defined benefit liability/(asset)	2,732	4,180
The effect of any curtailment or settlement	4,500	-
Total costs	7,232	4,180

Included in other operating income is £13,088,000 (2017: £12,635,000) of contributions to the pension scheme from fellow group undertakings.

<i>Amounts taken to other comprehensive income</i>	2018 £'000	2017 £'000
Actual return on scheme assets	22,285	(47,485)
Less: calculated interest element	14,619	14,544
Return on scheme assets excluding interest income	36,904	(32,941)
Actuarial changes related to obligations	(62,604)	(6,478)
Total costs/(income)	(25,700)	(39,419)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2018 £'000	2017 £'000
Present value of defined benefit obligations	637,443	705,455
Fair value of plan assets	(549,593)	(588,341)
Deficit in scheme	87,850	117,114

<i>Movements in the present value of defined benefit obligations</i>	2018 £'000
Liabilities at 1 January 2018	705,455

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

13 Retirement benefit schemes	(Continued)
Plan introductions, changes, curtailments and settlements	4,500
Benefits paid	(27,259)
Actuarial gains and losses	(62,604)
Interest cost	17,351
At 31 December 2018	<u>637,443</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

	2018 £'000
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2018	588,341
Interest income	14,619
Return on plan assets (excluding amounts included in net interest)	(36,904)
Benefits paid	(27,259)
Contributions by the employer	13,088
Other	(2,292)
At 31 December 2018	<u>549,593</u>

	2018 £'000	2017 £'000
<i>The fair value of plan assets at the reporting year end was as follows:</i>		
Equity instruments	271,351	304,839
Debt instruments	218,871	223,855
Government bonds	57,655	57,877
Cash	1,716	1,770
	<u>549,593</u>	<u>588,341</u>

14 Called up share capital	2018 £'000	2017 £'000
Ordinary share capital		
Issued and fully paid		
509,303,857 (2017: 424,746,857) Ordinary shares of £1 each	<u>509,304</u>	<u>424,747</u>

HARSCO INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

14 Called up share capital

(Continued)

Reconciliation of movements during the year:

	Ordinary Number
At 1 January 2018	424,746,857
Issue of fully paid shares	84,557,000
At 31 December 2018	509,303,857

On 31 August 2018 84,557,000 shares were issued and paid for at the nominal value of £84,557,000

15 Financial commitments, guarantees and 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 2018, the contingent liability was £nil (2017: £1,210,264).

16 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that all such transactions are between companies that are ultimately wholly owned by Harsco Corporation.

17 Controlling party

The company's immediate parent company is Harsco Holdings Inc., a company incorporated in the United States of America.

Harsco Corporation, a company incorporated in the United States of America, is the company's ultimate parent company.

The financial statements of Harsco Corporation are the largest and smallest group into which the company is consolidated. Copies of the group financial statements of Harsco corporation may be obtained from Harsco Corporation, 350 Poplar Church Road, Camp Hill, PA 17011, USA.